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Geneva Talks Suspended; To Resume 10 January

LD0401193693 Zagreb HTV Television in Serbo-Croatian 1830 GMT 4 Jan 93

[Telephone dispatch by correspondent Jozo Curic from Geneva]

[Text] The latest round of the Geneva conference has ended. The presidents of the three states and members of the three delegations have just come out of the conference hall. Not everyone has signed all the proposals put forward by the hosts. Only the Croatian delegation signed both the principles and the proposed map of Bosnia-Hercegovina. Both the Muslims and the Serbs had objections either to the map or the principles, and President Tudjman has said: We are not completely satisfied.

We have signed the papers but not the map, Alija Izetbegovic stated. We are only at the beginning, Dobrica Cosic says. The negotiations will resume on Sunday [3 January]. In other words, the Serbs will again gain time.

Vance: Talks 'Not in Vain'

LD0501014993 Belgrade TANJUG in English 0040 GMT 5 Jan 93

[Text] Geneva, January 4 (TANJUG)—Cochairmen of the conference on the former Yugoslavia Cyrus Vance and Lord Owen said that the three-day Geneva negotiations between the political and military leaders of Bosnian Muslims, Serbs and Croats and with the participation of the Yugoslav and Croatian presidents were not in vain, and that a lot more was left to be done.

We have rounded off the first phase and submitted the documents for signing (a document on Bosnia-Hercegovina's constitutional organization and an agreement on peace), but there is much before us that must still be done, said Vance at the end of a plenary session which will be continued on January 10.

The negotiations were not in vain. We are close to an agreement on a ceasefire said Owen, adding that this was conditional for an end to the war in Bosnia-Hercegovina, and for the political resolving of the problem.

For the last nine months, civil, ethnic and religious war between local Muslims, Serbs (Orthodox) and Croats (Catholics) has been raging in Bosnia-Hercegovina, because of differences over the republic's future organization.

According to Vance, the documents were signed only by the representative of Bosnian Croats Mate Boban, while leader of Bosnian Serbs Radovan Karadzic has to consult the Serbian Republic in Bosnia-Hercegovina Assembly.

Lord Owen said that Bosnian Muslim leader Alija Izetbegovic was not ready for a ceasefire until changes of constitutional principles were effected. Lord Owen added that all the documents were subject change, on condition that all three sides agreed to this.

Asked if there would be a military intervention if all sides did not sign the agreement, Owen said that it was too early to say anything, and that it was necessary to wait for the outcome of negotiations which would be continued after the Orthodox Christmas holidays.

Lord Owen specified that January 12, the date scheduled for the second round of talks, did not represent a final deadline for the achieving of a political solution, but cautioned that the world was angry over the non-stop fighting, the delaying of humanitarian aid, and the ethnic cleansing in Bosnia-Hercegovina.

Some Western agencies have cautioned that Bosnian Muslims would launch a big offensive ahead of the Geneva negotiations, in order to undermine their success and force the international community to undertake a military intervention. A strong Muslim offensive has been underway for the past few days.

Assessing the activities of Yugoslav President Dobrica Cosic and Croatian President Franjo Tudjman in negotiations on Bosnia-Hercegovina, Vance said he firmly believed that they truely wanted an end to the war, and would do all to achieve it. Vance added that their agreement to the documents offered by him and Lord Owen, was proof of this.

Vance told reporters that he was leaving for Belgrade and Zagreb on Tuesday, and would later be joined by Lord Owen. He said that while in Belgrade, he would meet with Serbian President Slobodan Milosevic.

United Nations Protection Force in Yugoslavia (UNPROFOR) Commander General Satish Nambiar, who participated in negotiations with the group for military matters, said that military papers were not an obstacle to peace, but the constitutional arrangement of Bosnia-Hercegovina which forsees the division of the republic into 10 provinces with a great degree of autonomy.

Cosic Optimistic About Talks

LD0401234393 Belgrade TANJUG in English 2312 GMT 4 Jan 93

[Text] Geneva, January 4 (TANJUG)—President of the Federal Republic of Yugoslavia stated on Monday [4 January] night optimism as regards the outcome of the continuation of the conference on Bosnia-Hercegovina set for January 10 and ending the war in this former Yugoslav republic.

"We must find a way to peace. We must reach understanding," said the Yugoslav president at the close of the three-days of talks in Geneva between the political and military leaders of the three warring sides in Bosnia-Hercegovina, attended also by Cosic and Croatian President Franjo Tudjman.

Cosic described the conference as very strenuous. The "differences between us were rather serious, but not unbridgeable. I am, nevertheless, an optimist," he said.

Asked what was it that prevented reaching a definitive accord on Monday, the Yugoslav president replied: "It is very hard to create a new state in a ruined state in which civil and religious war raged."

Tudjman Comments on Talks

LD0401170493 Belgrade TANJUG in English 1552 GMT 4 Jan 93

["Pool" item]

[Text] Geneva, Jan 4 (TANJUG)—President of the former Yugoslav Republic of Croatia Franjo Tudjman on Monday [4 January] said he expected positive results from the Geneva talks on war-torn Bosnia-Hercegovina because if the talks proved unsuccessful a military intervention would be inevitable.

An agreement on Bosnia's future constitutional arrangement between the leaders of the three Bosnian peoples—the Serbs, Moslems and Croats—is a condition for an end to the war in the former Yugoslav republic, Tudjman said at a news conference in Geneva.

Asked to give more details about his talks with President of the Federal Republic of Yugoslavia (F.R.Y) Dobrica Cosic, Tudjman said that they agreed that the resolution of the overall crisis in former Yugoslavia depended on the resolution of the Bosnian conflicts.

"I listened with great pleasure to Mr. Cosic and his calls for the resolution of all open questions between Serbia and Croatia. I particularly highlight Cosic's statement that Serbia and Yugoslavia have no territorial claims to Croatia", Tudjman said.

"In my talk with Mr. Cosic, we in principle agreed on a confederal organization of Bosnia-Hercegovina. However, everyone can imply something else by confederal organization. Switzerland, for instance, is a confederation, but its cantons do not have the right to their own, independent foreign policies. Hence we urge that Bosnia-Hercegovina be set up as a community of three constituent nations, which would be divided into provinces," Tudjman said.

Asked what attitude Croatia would take towards the Republic of Serb Krajina, (RSK, proclaimed by Serbs in Croatia on territories where they make up the majority population in opposition to Croatia's secession from Yugoslavia and attempts to reduce the status of Serbs to that of a national minority), Tudjman said "We demand the implementation of the Vance plan. That will decide whether we will request the withdrawal of the U.N. peacekeepers from our territory. We hope we will establish sovereignty on all of our territory with their help. We'll do our utmost to achieve this without using force."

After fighting between local Serbs and Croats, the RSK was proclaimed a U.N Protected Area (UNPA) and around 10,000 "blue helmet" troops were deployed there. The U.N. peacekeepers are to remain in UNPA's until a political solution is found for the RSK, where Croatian laws are not effective. Croatia, however, maintains that the U.N. peacekeepers should help it regain jurisdiction over the RSK and said that it would do so by force if the UNPROFOR [UN Protection Force] did not help it.

Silajdzic Comments on Talks

AU0401221293 Vienna ORF Television Network in German 2113 GMT 4 Jan 93

[Interview with Bosnia-Hercegovina Foreign Minister Haris Silajdzic in the studio in Geneva by Robert Hochner in Vienna—live; Silajdzic statements in English with superimposed German translation]

[Text] [Hochner] Good evening, Mr. Silajdzic. Do you still believe that the Geneva talks might lead to a political solution for your country?

[Silajdzic] Unfortunately, the Serbian side refused today to accept the principles proposed by Cyrus Vance [cochairman of the Conference on Yugoslavia] and others. On the other hand, our delegation and President Alija Izetbegovic insisted, first, that heavy artillery and heavy weapons be generally placed under UN control. It is absolutely clear that these weapons must be placed under an efficient international control if the aggression in Bosnia-Hercegovina and the killings are to be stopped. Second, there will be no compromise concerning Bosnia-Hercegovina's sovereignty. Bosnia-Hercegovina is a sovereign state. It is a member of the United Nations. It is an old state, an old country with its own borders. Unfortunately, this first principle proposed by Vance and Owen on behalf of the international community of peoples was rejected by the aggressor.

[Hochner] If the conference should fail—as numerous observers believe—what would this mean for the Muslims and Bosnia's future?

[Silajdzic] I am a representative of the Government of Bosnia-Hercegovina. The government includes Muslims, Serbs, and Croats. We talk about the future of Bosnia-Hercegovina. Unfortunately, Europe has not supported a democratic solution for Bosnia-Hercegovina, a modern and democratic state. Unfortunately, this conference focuses more on ethnic components, and not so much on the whole state. Our proposal was to create a democratic and decentralized state ofc citizens and not ethnic or religious communities. We are heading more toward ethnic aspects, which is unfortunate. We accepted the proposals submitted by the conference, but we would like to correct the map of the provinces because some territories that have been ethnically cleansed by the Serbs are now to be placed under the control of the Serbian majority. This means that those who committed the crimes against the civilian population, those who

killed the civilian population and drove them from their homes will now settle there. That is illogical, unacceptable, and inhuman.

[Hochner] Let me ask you a final question as a representative of the Muslims. Was it not difficult for you to sit at the negotiating table with Radowan Karadzic, the man who is officially viewed as a war criminal by many Western politicians?

[Silajdzic] That was a compromise—a very painful compromise—to which President Alija Izetbegovic agreed. Yet he did that in an attempt to save human lives and alleviate the suffering of the civilian population in Bosnia-Hercegovina. As I just said, unfortunately, the aggressor refused to accept the minimum principles that were submitted by the chairmen of the conference.

[Hochner] Mr. Silajdzic, thank you very much for the interview.

TANJUG Reports on Talks

LD0401195993 Belgrade TANJUG in English 1911 GMT 4 Jan 93

["Pool" item]

[Text] Geneva, Jan 4 (TANJUG)—Talks on the ten constitutional principles of the future arrangement of the former Yugoslav Republic of Bosnia-Hercegovina got stuck because of fundamental differences between Bosnian Moslems and Serbs, port-parole [spokesman] of the cochairmen of the Conference on Yugoslavia, Lord Owen and Cyrus Vance, Fred Eckhard said on Monday [4 January].

Eckhard told a news conference in Geneva that the two sides could not agree on should Bosnia-Hercegovina be a sovereign and internationally recognized state, as Moslem leader Alija Izetbegovic insists, or should the Serbs in it have their own state community, as Bosnian Serb leader Radovan Karadzic insists. Karadzic's stand, however, leads to the existence of a state within a state, Eckhard said.

Vance and Lord Owen proposed that Bosnia-Hercegovina be a decentralized state divided into ten provinces with enjoying great autonomy.

Eckhard said the political group did not discuss a military intervention as a way to resolve the open issues.

Eckhard said that the talks of the military group, discussing the peace plan for Bosnia presented by UNPROFOR [UN Protection Forces] Commander Lieut.-Gen. Satish Nambiar, got stuck over the control of heavy armament. The Moslems condition the cessation of hostilities by the placement of all weapons with caliber over 12.7mm under the control of the UNPROFOR. Serb military commander Gen. Mladic refuses to do so, because he believes this is de facto disarmament.

Mladic insists first on lasting peace, "certified" by a political agreement between the three nations, which would then be followed by disarmament.

The Serb delegation submitted an amendment demanding that 65,000 troops of neighboring Croatia withdraw from Bosnia-Hercegovina in 48 hours.

Eckhard said it was possible that an agreement on the cessation of hostilities be reached in Geneva on Monday or Tuesday, but expressed his reservations over its efficiency unless it is supported by a political agreement.

Nambiar's plan envisages the cessation of hostilities, the separation of the warring sides and the demilitarization of Sarajevo.

The draft peace agreement anticipates the control of Bosnia's borders. Nambiar also proposed measures for restoring Bosnia-Hercegovina's infrastructure and opening its roads. The draft peace plan can be corrected, but its essence must be retained.

Muslim Position Detailed

LD0401192293 Belgrade TANJUG in English 1823 GMT 4 Jan 93

["Pool" item]

[Text] Geneva, January 4 (TANJUG)—Bosnian Moslem leader Alija Izetbegovic on Monday [4 January] set conditions for the continuation of the Geneva talks, expecting that the Bosnian Serbs would not accept them which would then prompt a foreign military intervention.

Izetbegovic told a news conference the Geneva talks on Bosnia-Hercegovina would continue only if the former Yugoslav republic be a sovereign state and all heavy weapons put under effective international control.

The cochairmen of the conference on the former Yugoslavia, Cyrus Vance and Lord Owen, proposed at the opening of the Geneva talks on January 2 that Bosnia-Hercegovina be a decentralized state divided into ten provinces with wide autonomy.

Izetbegovic insists on a unitary Bosnia-Hercegovina which is rejected by the Bosnian Serbs and Croats who have formed their own state communities within the republic's administrative borders.

However, Izetbegovic told reporters his two conditions were supported by Bosnian Croat leader Mate Boban, but rejected by Bosnian Serb leader Radovan Karadzic.

Izetbegovic blamed the Bosnian Serbs for the suffering of people in Bosnia-Hercegovina, adding: "If Karadzic rejects these principles, the Serbs will be blamed for the interruption of the talks." He said that in this case the Moslems would be a political winner and the "international community will have to do something, most probably take a military intervention."

Izetbegovic said that, if Karadzic rejected his conditions, the Moslems would not attend any future peace talks in Geneva, but would instead send their envoys to Europe, the U.S. and Islamic countries to convey their stands.

Izetbegovic has for long called for a foreign military intervention in Bosnia-Hercegovina and for the Bosnian Moslems to be exempted from the U.N. arms embargo earlier imposed on the former Yugoslav republics. Islamic countries, which supply the Bosnian Moslems with arms and mojahedin, have backed Izetbegovic's call.

UN intelligence experts, in their report made public before the Geneva talks opened on January 2, said the Moslems counted on a military intervention and did not want to negotiate, but to continue fighting.

The report was based on information gathered by the UN Protection Force (UNPROFOR) in Bosnia-Hercegovina.

Prior to the Geneva talks, the Moslem-controlled Radio of Bosnia-Hercegovina said the Moslem forces were preparing an offensive on the capital Sarajevo.

Asked what will happen if the talks in Geneva failed and no military intervention was taken, Izetbegovic said: "We will never be defeated."

"We have to win, we have our boys ready to defend Bosnia. As for military intervention, we are speaking of air strikes which would destroy the enemy's heavy weapons and eliminate their technical advantage. No one should be sending their boys...we have enough our own boys ready to fight. They don't have weapons but they'll get weapons in whichever way," the Bosnian Moslem leader said.

Commentary Notes Pressure on Serbs

LD0401185093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1717 GMT 4 Jan 93

[Commentary by Stevo Csordas]

[Text] Geneva, 4 Jan (TANJUG)—Following a relatively uneventful opening, the Geneva negotiations on Bosnia-Hercegovina have reached deadlock due to ultimatums and pressures. Such an atmosphere is especially felt today, when it has emerged that there is a danger that the talks might fail.

Diplomatic circles in Geneva note that following President Bush's visit to Moscow and Paris, such ultimatums and threats have intensified. The same sources say there is a danger that the Serbs will be blamed for the break-up of the Geneva conference.

If the Serbs abandon the negotiations, they will be accused of ending the dialogue, and without a dialogue there can be no conference in Geneva, well-informed circles in the Palace of Nations stress.

Radovan Karadzic is under particular pressure. Vance, Owen and his closest aide Ahtisaari are "putting pressure" on him. All this is calculated to force him to accept conditions which Alija Izetbegovic has laid down: Federation instead of confederation, and control of heavy weapons, which means that the Serbs must give up their strategic advantage in the Bosnia-Hercegovina theater. And all along, the fundamental principle which Karadzic has proposed has been rejected: the right of nations to self-determination.

In parallel with the Geneva negotiating process, a negotiating process urged by the Americans is also taking place. Military intervention has not been directly mentioned in the Palace of Nations, but political observers here hold that it is quite likely if negotiations fail.

Radovan Karadzic is in dire straits. In practical terms, he cannot accept what is expected from him, because the "ghettoization" of the Serbs in Bosnia-Hercegovina and the severance of their ties with their parent country are to be accepted.

Under these circumstances the Geneva negotiations, also called "negotiations of the last chance," have reached the most critical phase. As far as the Muslims are concerned, that is precisely what they have coveted. The Croats are keeping themselves on the sidelines, while the Serbs are in the most difficult position. Anyhow, they are the only side here that has received open threats. And not only here.

Czech Republic, Slovakia Apply To Join UN

LD0401171793 Prague Radiozurnal Radio Network in Czech 1600 GMT 4 Jan 93

[Text] The Czech Republic and the Slovak Republic submitted in New York today applications to join the United Nations.

In a letter, signed by the prime ministers of the two countries Vaclav Klaus and Vladimir Meciar, both republics requested that the UN general secretary arrange for the applications to be put forward to the next session of the Security Council and of the General Assembly. The applications also contain declarations in which the two republics pledge to fulfill obligations contained in the charter of the organization. It is expected, for the time being, that the General Assembly could vote on the applications about 15 January.

Preparations for Wider Regional Conflict Urged

AU3112203392 Sofia KONTINENT in Bulgarian 28 Dec 92 p 6

[Commentary by Atanas Matev: "...And Keep Your Powder Dry"]

[Text] If a conflict erupts in Kosovo, Macedonia will close its border with Kosovo, Macedonia's minister of interior announced.

Skopje senses that a military conflict is possible in Kosovo and prepares for that possibility. The preparations include not only military measures. Macedonia is already preparing camps for Kosovo refugees, because it is obvious that in the case of a conflict between ethnic Albanians and Serbs in Kosovo, Macedonia will be flooded by a wave of refugees.

Bulgaria is not as close to Kosovo as Macedonia, but nevertheless, is it prepared? Recently we heard a lot about shady deals along the Bulgarian-Macedonian border and about the existence of imaginary or real mafia members in Bulgaria's southwest regions. However, it appears that there are no preparations despite the real danger of the Yugoslav conflict expanding and coming close to our borders. There are no preparations at all.

If the things really are as we think they are a time could come when we will have to pay dearly. The "lightest" consequence for Bulgaria if new conflicts erupt in former Yugoslavia would be the arrival of tens and perhaps hundreds of thousands of refugees. This would be a great trial for our country and its economy. Without any preliminary preparations, this would be a real catastrophe.

It appears that our politicians have too much faith in the success of the international community's efforts to stop or at least limit the Yugoslav conflict. However, nothing prevents us from remembering the advice of Oliver Cromwell, the leader of the English bourgeois revolution, to his soldiers: "Put your trust in God, and keep your powder dry!"

Western Inspectors To Monitor Troop Reductions

AU0401194493 Sofia BTA in English 1837 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA)—Western inspectors arrive here tomorrow, the Defense Ministry Press Office reported. The team will inspect the reduction of armoured units in Turgovishte under the Conventional Arms in Europe Treaty.

The group of inspectors includes officials from the U.S., Germany, Canada, France and Denmark. The inspectors will be accompanied by officers from the Disarmament Department of the Defense Ministry.

The Press Office reported that the old Bulgarian ritual of consecrating the colours of military units on January 6 (the festival of Epiphany) is being restored.

Berov, Foreign Minister-Designate Hold Talks

AU0401194693 Sofia BTA in English 1826 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA)—Prime Minister Lyuben Berov, who is also acting foreign minister, confirmed today that Bulgaria will not become involved in a military operation in the former Yugoslavia, which has been declared repeatedly.

Today Prof. Berov met with the deputy foreign ministers, with Slavi Pashovski, candidate for the position of foreign minister, now Bulgarian permanent representative to the UN, and the Foreign Ministry's chiefs of departments, the spokesperson for the Foreign Ministry said. Prof. Berov highly praised the foreign policy carried out by Stoyan Ganev, who headed the ministry from November 1991 to December 1992.

According to the spokesperson, Mr. Slavi Pashovski said that a declaration on Bulgaria's foreign policy will be drawn up in near future. He returned from New York at the end of last week and said he would urgently discuss the situation in the Balkans with Prof. Berov. Mr. Pashovski said he had accepted the post because of the grave situation in the Balkans. In a statement for today's STANDART NEWS he says that a no-rules war is being fought on the other side of Bulgaria's border and all countries have already taken an active position on the developments.

New Cabinet Meets To Discuss Priorities

AU0401203093 Sofia BTA in English 1959 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA)—The new cabinet headed by Lyuben Berov, 67, an independent and a professor of economics, met today to hear information on seven ministries and state committees, as well as to discuss its priorities. The government revoked a decree of the previous cabinet, increasing the excise and customs duties on cars.

Prof. Berov announced changes in the cabinet's structure. The Directorate for Religious Faiths and the recently founded Agency for Bulgarians Abroad will be closed. The government's decisions will pass by a two-thirds majority instead of by a simple majority as they did until now. Prof. Berov said he will not have personal advisers.

Deputy Prime Minister and Trade Minister Valentin Karabashev told the press that the administrative and legal obstacles to privatization should be removed first. According to him, changes will be made in the Privatization Agency. Channel Two of Bulgarian Television said this evening that there was an argument on whether

Mr. Karabashev or Deputy Prime Minister and Transport Minister Neycho Neev should be in charge of the Privatization Agency. The question will be discussed on Thursday, January 7.

According to Evgeni Matinchev, deputy prime minister and minister of labor and social affairs, the cabinet will draw up the regulations of the Tripartite Commission, including the government, the trade unions and the employers by January 25. The commission, which will be named National Council for Social Partnership, will hold its first meeting at the end of January.

The ministers of finance and the interior complained that they could not staff the ministries. The cabinet discussed a report on the Interior Ministry, Prof. Berov told the press without giving any details. The Council of Ministers will probably review the decision of the previous prime minister, Mr. Filip Dimitrov, that the Interior Ministry should issue certificates to those who did not work for the State Security.

Slavi Pashovski, named as foreign minister by Prof. Berov, will continue in principle the personnel policy at the Foreign Ministry. The cabinet today approved him as foreign minister and his candidacy will be put forward in parliament.

New Economic Ministers Outline Policies

AU0401131893 Sofia BTA in English 1237 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA)—Today's OTECHESTVEN VESTNIK runs interviews with the new ministers of finance and trade.

Finance Minister Stoyan Aleksandrov declares himself in favour of new tax laws as early as possible. He will also insist before the international financial institutions on a larger budget deficit.

The financial policy of ex-Finance Minister Ivan Kostov was largely correct, Mr. Aleksandrov believes. In his view, the new economic laws would help a recovery of the economy. What he fears most is that the precarious correlation of forces in parliament might paralyze its work.

The new minister is planning to pay greater attention to the collection of budget revenues. He is not optimistic about the raise of civil servants' salaries and of pensions, promised in the cabinet's policy declaration, and does not rule out the possibility of unpopular measures to restrain inflation.

The new Trade Minister Valentin Karabashev also takes views departing from the policy declaration. He declares himself in favour of a liberal economy and believes that the protectionist measures mentioned in the policy declaration should be handled with the utmost care. The young minister hopes to persuade the cabinet that he is right.

Mr. Karabashev lists the following priorities in the government's economic programme: Privatization and restructuring of property, settlement of the foreign debt problem, improvement of relations with the international financial institutions, and attraction of foreign investment.

The trade minister, who is also deputy prime minister in charge of economic affairs, is planning to propose a system for the allocation of soft investment loans. Mr. Karabashev believes that the transformation of bad corporate debts into public debts should be linked to the opportunities for privatization and should facilitate it.

Minister Suspends Noncooperation Certificates

AU0401142093 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 4 Jan 93

[Text] The Press Center of the Ministry of Internal Affairs announces that according to a decree of Viktor Mikhaylov, minister of internal affairs, issued today, the implementation of Decree No. 1,173 of 14 December 1992 of Yordan Sokolov, former minister of interior, on the issue of granting certificates to deputies, ministers, heads of state institutions, and citizens on not having been associates of the former State Security has been discontinued until further notice.

The new minister issued another decree by which he cancels Decree No. 5,452 of the former minister of internal affairs of 21 December 1992, according to which Colonel Arlin Antonov, director of the National Security Service, was demoted to Lieutenant Colonel, because of the unfounded nature of that decree.

Interior Denies Secretary's Criminal Link

AU0401194893 Sofia BTA in English 1815 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA) - The Interior Ministry today denied that Chief Secretary Gen. Bogomil Bonev was involved with the criminal world.

Yesterday the Post Factum talk show on National Radio implicated Gen. Bonev in connections with criminals and illegal arms deals. Post Factum today was quoted by DUMA, the daily of the Socialist, ex-Communist, Party. The Interior Ministry Press Office denied the allegations in a special release sent to BTA. Senior Interior Ministry officials authorized the Press Office to declare that the ministry does not have any data implicating Gen. Bonev in illegal arms deals. The Interior Ministry asks services outside the ministry to provide documents on the case if they have any, the release says.

The Interior Ministry also denied that the Bulgarian secret services had received an official document from a foreign country incriminating the official, as Post Factum claims.

Gen. Bonev's personality was discussed at the failed negotiations on the formation of a coalition cabinet held

by Union of Democratic Forces (SDS) and the ethnic Turks' Movement for Rights and Freedoms (DPS) last November. The DPS insisted that Gen. Bonev be dismissed and the SDS backed him.

Minister Proposes Secretary's Dismissal

AU0401211293 Sofia BTA in English 2015 GMT 4 Jan 93

[Excerpts] Sofia, January 4 (BTA)—The Interior Ministry today denied that Chief Secretary Gen. Bogomil Bonev was involved with the criminal world. [passage omitted]

Later today the government decided to propose to President Zhelev to relieve General Bonev of his post as chief secretary of the Interior Ministry. The decision is motivated with his numerous omissions, above all the lack of changes in the ministry and of statutory instruments for this purpose, Minister of the Interior Viktor Mikhaylov told the press after the Council of Ministers' meeting. Colonel Mikhaylov said no proof has been found so far that he concluded illegal deals or took unlawful actions and these cannot be cited as motives for his dismissal. Colonel Mikhaylov also said that an inquiry will be held into General Bonev's work and that he may be dismissed from the structures of the Ministry of the Interior.

Defense Minister Replaces Deputy Ministers

AU0401212093 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 4 Jan 93

[Text] At the proposal of Defense Minister Valentin Aleksandrov, the prime minister of the Republic of Bulgaria relieves Nikola Daskalov from his duties as deputy minister of defense and, in turn, appoints Grigor Khandzhiev to this post.

Georgi Ananiev is also dismissed from the post of deputy defense minister.

The post of secretary of state at the Ministry of Defense is abolished and a new post of deputy minister-chief of the military-political unit is introduced. Mikhail Srebrev is appointed to this post.

Minister Aleksandrov also issued orders on several other personnel changes at the Ministry of Defense, of which he is in charge.

Commentary Says Nation Now 'Ruled by the Turks'

AU0401190593 Sofia DEMOKRATSIYA in Bulgarian 29 Dec 92 p 5

[Petko Bocharov commentary: "Let Start Again From Beginning"]

[Text] A new government is being formed with the mandate of the Movement for Rights and Freedoms [DPS]. It may or may not get parliament's vote of confidence.

If it does not get the vote of confidence, the normal democratic process toward new elections will start. However, if it does get the vote of confidence, the number of absurdities in our sociopolitical life, which have been accumulating of late, will have increased by one. The trouble is that this absurdity could have very grave consequences. Furthermore, everyone should already know who will be responsible for these consequences, because the responsibility (or rather the blame) for this absurdity, possible only in a country with a psychology such as ours, will be gigantic. Simply, Bulgaria's fate and future are on the line. When the damage is obvious, no one will be able to escape with the customary and automatic "I am responsible." Certain people should know this very well.

Let us understand what kind of government we will have, provided that it gets the vote of confidence:

Formed with the DPS mandate, it will be precisely a government of the third party in the National Assembly. The various arguments in support of the thesis that the DPS voluntarily offered its mandate to others for the good of Bulgaria cannot alter the facts. The truth is that the DPS utilized the last constitutional resort in order to arrange things to suit its leaders' will. I fail to understand why the DPS leaders are interested in such an absurdity. However, the facts remain the facts.

The fact that this will be a DPS government is supported by several arguments. If the DPS had really wanted to concede its mandate to others, it would not have sabotaged Yordan Sokolov's candidacy. The DPS has its interests and it defends them. This government will depend fully in parliament on DPS votes. If the DPS leaders do not like something it does, they will immediately topple it. What does that mean?

This is the absurdity. This means that Bulgaria will be governed by the smallest parliamentary faction. Furthermore, this is a faction which represents a party of an ethnic minority. To put in in simple and clear terms, Bulgaria will be ruled by the Turks. I am sure that our honest Turks, devoted to Mother Earth, are not looking for trouble and would not like to assume a role which is beyond the power of any minority. However, the DPS leaders want it, and they are on their way to achieving it. Nevertheless, this is only the start of the absurdity.

As for the rest of the absurdity: If the government indeed gets its vote of confidence, who would support it? The Union of Democratic Forces [SDS]? Of course not. A part of the SDS? It appears so. However, the moment that this part of the SDS votes for the government, it will cease to be a part of the SDS. In other words, the DPS government could be approved with the votes of a part of the SDS, all the DPS deputies, and (pay attention now), a part of the Bulgarian Socialist Party [BSP]. In other words, this will not be a government supported by the largest political force in Bulgaria. This force—the SDS—becomes an opposition party. The force that won the October 1991 elections becomes an opposition party!

Without any elections! This will be effected through side-tracks covered with moss and traced with the assistance of our parliamentary practice's blunders!

Let no one harbor any illusions. The legal configuration of parliament has been destroyed and a new one is being formed. Is the DPS the only force that is doing this? Filip Dimitrov's cabinet was torn to pieces by a pack of wolves, vicious even toward one another. Trade unionists and bankers, the nomenklatura of the Central Committee and new millionaires, Bolsheviks and perestroyka adherents, Turks and National-Socialists—they all belong to the pack. However, the victim which used to unite the wolves does not exist any longer. The absurdity that is being prepared will be the ideal environment for lonely wolves.

A final word about responsibility. Yes, the DPS leaders will be responsible. However, they could never have achieved what they did without the massive support of the Bulgarian president. Selecting the candidate for the post of prime minister from President Zhelev's entourage is already a direct move, which brushes aside any pretense about the real nature of the regime that is being planned.

I think that we are returning to 1989. We must start all over again from scratch.

Opposing Tendencies Within SDS Discussed

AU0401175093 Sofia 24 CHASA in Bulgarian 29 Dec 92 p 10

[Interview with National Assembly member Dimitur Ludzhev by unidentified correspondent; place and date not given: "The B-12 Supports Lyuben Berov, But Not at All Costs"]

[Excerpts] [passage omitted] [24 CHASA] What major parties within the Union of Democratic Forces [SDS] are hesitant about supporting the cabinet formed by the candidate of the Movement for Rights and Freedoms [DPS]?

[Ludzhev] The Radical Democratic Party and United Christian Democratic Center are hesitant. They have recently displayed a more moderate position and seem to better understand that our country does not really need elections now, but rather stabilization and a taming of the grave crisis processes. Aleksandur Yordanov, Stoyan Ganev, and even Georgi Markov from the Democratic Party are more moderate now.

On the other hand, the Democratic Party as a whole, Ecoglasnost, Filip Dimitrov's Conservative Ecology Party, and most of the small parties within the SDS are categorically striving toward new elections. They simply want to take advantage of the situation and create a new confrontation in our society. They hope to obtain political dividends, win a majority, and simultaneously plan how to appropriate the "SDS" abbreviation. Those people's logic is very simple: If we cannot be in power any longer, we will create our own SDS. "We"—that is, Savov, Dimitrov, Sugarev, and so forth.

[24 CHASA] Does it mean that the SDS will again split into the "real" and "false" SDS?

[Ludzhev] Look, there are different trends in the SDS. After all, this is a coalition of parties, movements, and persons, and the existence of different trends and tendencies is a natural phenomenon. Therefore, we in "Memorandum-92" posed the problem of creating a more democratic mechanism of adopting decisions in the SDS. However, the radical group around the Democratic Party is striving to impose something like the former Politburo on us. The parties are afraid to oppose the National Coordinating Council because they could immediately be expelled. It must be remembered that according to its statute, the National Coordinating Council cannot do something like this.

There are presently two tendencies in the SDS—the authoritarian and democratic. The authoritarian tendency failed during the one year period of its rule. Its policy prompted a grave political crisis, and any attempt to explain the crisis through manipulations by the KGB, President Zhelev, and external forces cannot justify the fact that for months the government conducted a passive, absolutely unclear, and disoriented policy. The government practically did not follow the basic elements of the SDS program and entered into confrontation with almost everyone in Bulgaria. The reforms stopped. The state, as an administration and economic system, is virtually in agony and about to collapse. [passage omitted]

[24 CHASA] What alternative do you propose?

[Ludzhev] We propose the second tendency—namely, the democratic one—which is gradually gaining momentum. If we accept the fact that the B-12 group was the initial catalyst in a grave situation, then we must admit that a large part of the parliamentary faction now understands that a fundamental change in policy is necessary. An efficient administration that can implement the SDS program is needed if we are to restore people's confidence in the SDS.

The Center for New Policy has already established 20 alliances, associations, and clubs throughout the country. They are naturally idealistic organizations like the Center. We created them on the basis of our belief in the need for a new policy and support for the democratic tendency within the SDS. We simply need socially organized support, which cannot be ensured through the current SDS structures.

If the authoritarian tendency within the SDS gains the upper hand, then the only solution for the country will be to create a new democratic movement, which will continue to be what many people call the blue [SDS] idea and normally connect it with the SDS program. [passage omitted]

Commander on Navy's Social, Personnel Problems

AU0401161493 Sofia BULGARSKA ARMIYA in Bulgarian 30 Dec 92 pp 1, 3

[Interview with Rear Admiral Ventseslav Velkov by Captain Choni Chonev; place and date not given: "Navy Sailors Know That a Storm Can Be Overcome"]

[Excerpts] [Chonev] The shortage of commanders in the Navy is a public secret. How does it affect discipline in the Navy?

[Velkov] Yes, the positions of 207 officers and 249 petty officers are presently unoccupied. This is the situation despite the fact that after implementing reform measures that called for reducing the commanding staff, we eliminated several structures that did not correspond to the new realities and concepts and discarded obsolete naval equipment. The failure to man the unoccupied posts is a result of the fact that 80 percent of the graduates of the Naval Academy refused to undergo depoliticization and on the basis of the Law on Political Parties, did not join the Navy. In addition, a significant number of officers decided to leave the Navy. The unattractiveness of service in the Navy can presently be explained by low wages, inadequate housing and other social problems, obsolete equipment and maintenance problems in high-combat readiness, and last but not least, the low status of the military profession in our present society.

The shortage of commanders also affects discipline. A part of the commanding staff of the vessels is overburdened, and naturally, discipline suffers. [passage omitted]

[Chonev] According to the program on developing the Navy, the Navy must reach a high degree of professionalism by 1993. Do you think that the professional Navy will be more disciplined? What measures, other than financial ones, do you rely on?

[Velkov] By the end of 1993, the ration between reenlisted and regular service personnel will be 65:35. Professionalization already positively affects discipline. Financial measures are very important, but we are not relying solely on them. We have views on measures for increasing the status of Navy personnel, which we plan to develop in the long term. This relates to social problems, the gradual replacement of equipment (we have a plan on this issue for the period until 2000), educational activity, and the engagement of a broad social strata. We need public support. We are the Navy of the Republic of Bulgaria. We can be strong, but only if the entire society understands our needs and supports us. [passage omitted]

State Railway Workers Threaten Strike

AU0401204093 Sofia BTA in English 1912 GMT 4 Jan 93

[Text] Sofia, January 4 (BTA)—The Bulgarian State Railways (BDZ), the state-run railway transport monopolist, threaten with a strike. Yet the strike may be avoided.

Director General Atanas Tonev today told BTA that the BDZ is facing a catastrophe. He cited the shortages of diesel fuel, electric materials and spare parts. Cargo shipments declined dramatically, Mr. Tonev said. He said 600 million leva are needed to set the company on its feet.

Prime Minister Lyuben Berov told reporters the BDZ will be granted a government-guaranteed loan. The problem may be settled in ten days, Mr. Berov said.

Deputy Prime Minister Neycho Neev, minister of power engineering temporarily in charge of transport, today gave orders to set up a 3,000 tonne fuel reserve which will be refilled. Tomorrow Mr. Neev and Deputy Prime Minister Evgeni Matinchev, minister of labor and public welfare, will meet with officials of the two major trade union amalgamations, the Confederation of Independent Trade Unions and the Podkrepa Labor Confederation, to discuss the problems of the BDZ.

Knazko Defines Slovak Foreign Policy Concept

AU0401204393 Bratislava PRAVDA in Slovak 30 Dec 92 pp 1, 12

[Article by Slovak Foreign Minister Milan Knazko: "Slovakia in an International Context"]

[Text] A more specific Slovak foreign policy concept is, with understandable impatience, awaited in political circles at home and abroad, and also by the general public. Today we have an opportunity to outline the main—and characteristic—points put forward by Milan Knazko, head of independent Slovakia's diplomatic corps.

The Slovak Republic will assume full responsibility for its own foreign policy as of 1 January 1993. Its principles will proceed from the generally recognized norms of international law, the UN Charter, and the final documents from the Conference on Security and Cooperation in Europe (CSCE). The National Council of the Slovak Republic made a similar declaration on 3 December 1992. As a new and sovereign state, the Slovak Republic will respect the principles of a market economy, a pluralist political system, and human rights—including the rights of ethnic minorities. It will adhere to the various international commitments—including military ones—transferred to it by succession following the Federation's breakup.

Other foreign policy principles arising from our geopolitical position, national culture, and historical traditions will include—first and foremost—realism in assessing Slovakia's standing in the European context, proficiency in adapting to influential cultural, political and economic trends, and openness toward offers of cooperation from various sides. Increasing the Slovak Republic's security, improving its prospects, asserting and protecting its citizens' interests, and contributing to creating peace and stability in Central Europe and in Europe as a whole are among the main aims of Slovakia's foreign policy.

The Main Tasks

The new sovereign state's priority strategic task will be to establish itself as quickly as possible in international relations and to ensure that other states regard it as a reliable and cooperative partner. It is particularly important to establish the Slovak Republic's—the smallest state in Central Europe—formal bilateral relations with its immediate neighbors and with other states in the region.

It is necessary to continue the trend toward active involvement in pan-European security structures and to make a perceptive assessment of the overall security trends in Europe. In view of the fact that the Slovak Republic will not be able—in a clear-cut manner—to influence their character, it will be important to understand the main tendencies of this process and flexibly to adapt our foreign policy to them.

Creating opportunities to integrate Slovakia as extensively as possible into the world economy and utilizing the external economy to assert our products will form a special foreign policy task. The successful development of international economic relations will be conditional upon the gradual reduction of state intervention in the production processes so that a level comparable with the countries of the EC is reached. Slovakia is very interested in the entry of foreign capital into its economy and will create the optimum conditions for this.

Slovakia has all the prerequisites for its transformation into a politically and economically tried-and-true type of democratic society, while preserving its own specific cultural and ethnic features. A relatively rapid and determined transformation may be the element—and not only in the eyes of our partners from the advanced West—that will help Slovakia bolster its position in new international relationships.

Our advantageous geographical location, communications, and natural conditions allow Slovakia to arouse the interest of the international community. Utilizing these prerequisites may significantly increase the opportunities for mutual cooperation. For example, one of these is the construction of a trans-European canal between the North Sea and the Black Sea, a project for which Bratislava and the surrounding area may become an important center of communications.

As opposed to its recent past, the Slovak Republic wants to maintain the closest possible contacts with expatriates. Our expatriates—especially those overseas—may be of assistance not only in clarifying the many issues of Slovak statehood, but also in forging closer economic ties with the countries in which they live. Slovakia will assist all expatriates in the spheres of culture and education. Slovakia will also ensure that minority rights ensuing from international standards are guaranteed.

An efficient and professional foreign service is an important medium for implementing foreign policy. It is necessary to continue as intensively as possible the training of our own experts in international relations, economics, and law. Modern foreign policy attitudes are just beginning to be established in Slovakia and it will be imperative to use this new intellectual potential to complete a specialized information and education system.

Integrative Processes

The primary task for the Slovak Republic after 1 January will be to achieve regular membership in the United Nations. Regular UN membership is also a starting point for membership in the system of other international organizations. The United Nations' role in contemporary international relations is growing and small states have—through the United Nations—an opportunity to become involved in resolving global problems.

The Slovak Republic will endorse all its commitments within the Council of Europe. It will fully support Council activity (the participation of Slovak parliament

representatives in the Council of Europe's parliamentary assemblies, the dispatching of expert missions, and so on) that advocates a course of action toward an integrated Europe.

The Conference on Security and Cooperation is an important pan-European process currently forming the basis for a new type of security system. Slovakia will actively participate in the CSCE processes and will use them to clarify and defend its state interests.

The Slovak Republic Government will create prerequisites for entry into the European Community (EC). The customs union between the Czech and Slovak Republics is one of the important prerequisites for ensuring that the Association Agreement concluded with the CSFR can be transferred to the two successor states.

Slovakia is interested in contacts and cooperation with the North Atlantic Treaty Organization (NATO) and the West European Union, and in work in the North Atlantic Cooperation Council (NACC), which is essential for bolstering its security. The Slovak Republic will thus also push for guarantees for its security, guarantees that will proceed from the network of mutually interlinked institutions and from the system of ties between the states that would guarantee and defend them. The European Agreement—which will become the basis for the Slovak Republic's affiliation to the EC—also assumes that it will contribute to approximating the stances of the Slovak Republic and the EC member countries in security issues.

We are also interested in active participation in the Central European Initiative and the Visegrad Group, which—as supplementary integrative groupings—may help deal with some of the tasks involved in modern European cooperation. The Central European Initiative pursues a north-south dimension in European cooperation, which is attractive for Slovakia as a trans-Danubian country. The Visegrad Group involves states geographically and culturally close to each other. However, in order to intensify cooperation it is essential to overcome certain misunderstandings rooted in the past.

Relations With Our Neighbors

It is in the Slovak Republic's vital interest to continue to support the crucially important ties with the Czech Republic, including the many positive things that have arisen from the common state's existence. Several important political and economic treaties have been concluded between the Czech and Slovak Republics. These agreements, and their subsequent smooth implementation, will not only be of important bilateral significance, they will also have an influence on the two entities' overall international standing. Cooperation in policy toward the European Community, the Council of Europe, the United Nations, and regional and other international organizations is desirable, including security policy.

The establishment of the Slovak Republic as an independent state is not at variance with the national interests of Hungary. From the Hungarian—but also from the Slovak—point of view, scope is being created for a new type of cooperation that will rid itself more and more of historical misunderstandings and wrongs; however, the two countries must make a declaration on this. In dealing with issues associated with the ethnic minorities, the Slovak Republic will continue to proceed from international norms, and also in view of the Slovak minority in Hungary, would like to involve international organizations in giving matter-of-fact consideration to this issue. While recognizing certain lingering differences, it is necessary to cooperate closely with Hungary in pan-European integrative and regional activities.

Our traditionally close ties with Poland form the basis for developing cooperation under new conditions. Slovakia will react positively to offers of economic cooperation, including active border cooperation. In view of the Polish diplomatic corps' traditional position on the most important international institutions, Slovak-Polish dialogue will be of great significance for us.

The Slovak Republic considers friendly and open relations with Austria to be an important factor for our involvement in the international community and will do everything to ensure that these relations develop along the lines of trust and multilateral cooperation. Austria's vital interest in Central European stability and cooperation is an element that will ensure that it will not leave Slovakia at the periphery of its attention. Austria is our third largest trading partner and it comes second in investments. Austro-Slovak cooperation in Danube river transportation, in other forms of transportation, and in other spheres is very important.

Ukraine, as a new independent state, is interested in stable borders. The fact that the Slovak-Ukrainian border is definitely not disputed is an important element in the development of friendly relations. The two states are interested in extensive cooperation; at the same time, the Ukrainian market is very important for Slovakia from the economic point of view. The fact that ethnic minorities live on both sides of the border could contribute to activating cross-border cooperation in the economy and culture.

Other Countries and Us

Germany is Slovakia's second most important economic partner and the Slovak Republic's foreign policy toward Germany will be given prominence. In view of Slovak and pan-European interests, expanding and intensifying economic cooperation is essential.

France is undertaking important activity toward the countries of the Visegrad Group in the spheres of culture, education, and French-language teaching. It will also be important to create favorable conditions for the entry of French capital into Slovakia, which will open up further opportunities for cooperation in various spheres.

Relations with Great Britain in all branches of the economy—such as its support for Slovakia's incorporation into the European Community and other European structures—are important for Slovakia. Great Britain is also an important potential economic and cultural partner for the Slovak Republic.

Developing contacts with Italy is also important within the framework of the Central European Initiative. Italy, as a pioneer of this cooperation, understands Slovakia's position at the commercial crossroads linking Europe to the north, south, east, and west. It is important to create favorable conditions for numerous Italian-Slovak economic cooperation projects.

Political contacts with the Benelux countries, which play an important role in European integrative processes, are of extraordinary significance for Slovakia as a means of acquiring an ordinary international status. The Benelux economic union may serve as an example of cooperation among relatively small economies and of its integration into the world economic system.

The main priority in cooperation with Switzerland is the economic sphere, especially cooperation at the level of direct contacts between regions and communities. The Slovak Republic will also develop cooperation with Spain and Portugal and will make use of their experience of transformation to the economic conditions of the European Community. Relations with Greece, Turkey, and Cyprus are of particular economic significance for Slovakia at the moment. Relations with the states of North Europe—Iceland, Norway, Denmark, Sweden, and Finland—are especially interesting for Slovakia because they have highly developed economies and they all represent a high standard of European parliamentary democracy and, at the same time, have—in principle—a positive approach toward the new democracies and a great understanding for their problems.

The United States is the world's leading political power and is an important guarantor of political stability in Central Europe. Contacts with the United States in all spheres (U.S. capital, progressive technologies, and know-how) are a priority for Slovakia. From the bilateral point of view, expatriates living in North America have considerable influence. For the majority of them Slovakia's independence may act as a stimulus for intensifying not only cultural-social cooperation, but also economic cooperation with the old country. Canada, as a member of the G-7 and G-24 groups of countries, is an important economic and financial partner for Slovakia.

Despite the complications associated with its political and economic transformation, the Russian Federation—as a nuclear power—remains one of the most important protagonists in world politics. Russia is a vitally important partner for the Slovak Republic from the point of view of its raw materials and also of our marketing opportunities. Slovakia is concentrating, first and foremost, on expanding the possibilities for commercial and economic cooperation. It will maintain a well-balanced dialogue at the political level, a dialogue not burdened by the recent past.

Latvia, Lithuania, and Estonia will, on account of their geographic proximity and similarity to Slovakia, be included among those states with which Slovakia can establish cooperation ties on a multilateral—for example, subregional—level. Other republics of the former USSR, especially Kazakhstan and Belarus, are important trading partners for Slovakia and the republic has an opportunity to further economic relations with them.

By maintaining a balance in its foreign-political relations on the territory of the former Yugoslavia, Slovakia will contribute to stabilization in this region and will create the prerequisites for economic cooperation with all the newly established states. We consider Romania and Bulgaria—trans-Danubian countries with traditionally very good relations with Slovakia—to be important partners. It will be possible to coordinate with both countries many issues concerning international cooperation among the trans-Danubian countries.

A Look at the Other Continents

From the point of view of the Slovak Republic's foreign-political interests, Asia and Australia—despite their geographical distance—represent an important region with increasing international authority and with significant human and economic potential. Apart from the prospects for further expanding cooperation with traditional partners and the possibilities for finding an outlet for Slovak products on the extensive Asian market by exchanging—in return for imports—natural raw materials essential for our economy, it will also be desirable to intensify our contacts with expatriates who are interested in capital investment in Slovakia and who can provide modern technology. Slovak foreign policy is focused specifically on Japan, China, Indonesia, and the Asian countries. Involving expatriates in more intensive economic cooperation, including contacts with New Zealand, is also envisaged in developing relations with the industrially advanced Australia.

The Middle East, with its significant natural and financial resources, is important for Slovakia, especially from the economic point of view, and represents a relatively widespread market for our goods. It is also a region of OPEC and OAPEC [Organization of Arab Petroleum Exporting Countries] member states, which is important for expanding our oil imports. Israel is an important state in this region. We are interested in developing good relations with it in all spheres of common interest.

Slovak foreign policy will also devote the appropriate attention to the states of sub-Saharan Africa, which are experiencing a complicated period in their development and are striving for a place on the international scene. Important economic cooperation with the main countries of this region on the basis of barter trade may be a boon for our economy.

Latin America represents a large economic area for asserting Slovak products and for cooperation. It is a region that has experienced economic growth in recent years and that is also striving to create effective and integrative economic groupings. Relations with Argentina, Brazil, Mexico, Venezuela, and Chile will be among the Slovak Republic's priorities in this region. In developing our relations with the countries of Latin America, it will be possible to take advantage of contacts with expatriate groups of Slovaks living in this region.

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The essence of the Slovak Republic's foreign policy will lie not only in achieving a new quality of development—that is, the foreign policy of an independent state—but also in the way this new quality is guaranteed. Despite the natural variety of opinions among the political entities on Slovak domestic policy issues, it will be essential to try to achieve a relatively broad consensus on Slovak foreign policy. A stabilized domestic political situation and support for all activities leading to the successful culmination of our economic transformation would be of considerable help in formulating foreign policy and in ensuring Slovakia's entry onto the international scene. The new Slovakia will be one of the smaller European states. Moreover, it is entering into international life at a time when Europe's new structure is being created. This brings complications as well as opportunities. There is no reason for anxiety. However, it is necessary to realize that Slovakia's position in an international context is formed by us at home. Slovakia's new diplomacy must be launched from a solid domestic base, a base distinguished by well functioning democratic institutions, an advancing economy, and the increasing development of our thinking and activity.

Meciar Meets Ambassadors, Assures Cooperation

LD0201163193 Prague Radiozurnal Radio Network in Czech 1400 GMT 2 Jan 93

[From the "Radiojournal" program]

[Text] Almost 100 ambassadors and other diplomats serving in Slovakia were received by Slovak Prime Minister Vladimir Meciar and Ivan Gasparovic, chairman of the National Council of the Slovak Republic, in Bratislava today.

Vladimir Meciar stressed that Slovakia was interested in good cooperation with all countries. He asked the participants in the meeting to excuse its first awkward steps, which would be, according to him, caused by great enthusiasm. According to him, Slovakia will play an active role in peaceful developments in Europe and in the world and concentrate on European structures, but at the same time, be active within the Visegrad grouping. Vladimir Meciar also went on to assure the diplomats that Slovakia would be a democratic state.

Current Military Issues

LD0401204793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Jan 93

[Text] Slovak Prime Minister Vladimir Meciar visited the Kutuzov Barracks in Bratislava today. Since 1 January this has been the residence of the Slovak Republic Ministry of Defense. When addressing the officers corps, he answered a question asked by many in connection with the emergence of the Slovak Republic Army: What will be its attitude toward other countries' armies, including NATO?

[Begin recording] It is possible to adopt the experience of NATO armies, even though we have not set ourselves an immediate political task of becoming a NATO member. On the one hand, right now they do (?not really want us), and so it is not topical. Second, NATO membership involves numerous organizational and technical problems. You yourselves know what kind of equipment we have and that this equipment is incompatible. This means that we are unable to see and hear ourselves [as heard]. A rather complex and very costly process is required to change this equipment. That is why we will continue consultations with the West European Union, we will be trying to conclude bilateral agreements with our immediate neighbors as to guarantee order and cooperation in the sphere of defense, and minimize or eliminate any tension.

In view of the situation in neighboring states, we assess that cooperation with the Czech Republic should also predominate in the coming period, in particular because there are some common command systems, and until they are divided. However, we will do our best to effect their division, so that we can do everything ourselves on Slovak Republic territory by employing our own efforts.

We and the Czech Republic face many tasks in the sphere of military education organization. Although it was envisaged that relevant agreements would be concluded, until the end of June the [academic] year 1993 will remain the same, without any changes. But in the first six months the ministry will have to draw up a blueprint for the development of education for both republics, which would make clear the extent of tuition, jobs, costs, and the sharing of costs by both sides. There is no reason why officers from Bohemia should not study in Slovak schools, but their republic will pay for this education. It will not be free of charge. Similarly, studies in the Czech Republic will also be reimbursed.

Thus military education has a future. Should these agreements fail to materialize, we will have to consider the extent to which we will be training specialists—highly qualified specialists—in our country. We will have to consider which other states we should ask for cooperation in gaining top skills. I cannot see any reason for continuing to travel to Moscow for education, but similarly, I cannot see any reason why our officers should not go to France, Britain, the United States, or other

places where they are interested in receiving our specialists and making it possible for them to improve their qualifications to receive an education. This means that the scope allocated for skill improvements should be increased. Since U.S. specialists go to Moscow to be educated, why should ours not continue going there as well? We need to go anywhere there is an opportunity to learn something, regardless of the bloc a particular country used to belong. [end recording]

Slovak Defense Options

LD0401222493 Prague Stanice Praha Radio Network in Czech 1730 GMT 4 Jan 93

[Text] Slovak Prime Minister Vladimir Meciar said that the Slovak Army will have enough funds even if this is at the expense of other items in the budget. Meeting the staff of the new Ministry of Defense in Bratislava, he said that he demands sobriety from them in this regard.

On the future defense capability of Slovakia, he said that it is necessary to make a decision whether Slovakia will be neutral or whether it would join NATO; or whether, as part of the Central European process, another defense system would be created, which might, however, not be positively assessed by the Western countries.

Vladimir Meciar described three groups of problems as a source of concern: One is, in his view, the continuous doubt thrown on the Trianon borders by some political groups in Hungary, including representatives of the Hungarian Government; the second is the political context of Gabcikovo; and the third is the alleged preparation for accumulation of military equipment in Hungary. According to Prime Minister Meciar, it is still not possible to appoint a minister of defense because this is the right of the future Slovak president.

Meciar Says Slovak Minority in Hungary Decimated

LD3112222992 Prague CTK in English 1912 GMT 31 Dec 92

[Text] Bratislava, Dec 31 (CTK)—Slovak Premier Vladimir Meciar today said that some political forces in Hungary are trying to revise the Slovak-Hungarian border set by the Trianon Treaty of 1920.

This is the same strategy like that followed in Romania, Serbia and in Ukraine, Meciar said at a press conferece in Bratislava.

The Trianon Treaty confirmed the establishment of Hungary after the disintegration of the Austro-Hungarian monarchy on 1918, and the cession of parts of territory to Yugoslavia, Romania, Austria and Czechoslovakia (Slovakia and Transcarpathian Ukraine).

Meciar said that the Slovak ethnic minority in Hungary is decimated. There are few of them who remain loyal to their nation, he said.

He praised Slovakia's legislation securing ethnic minorities' rights, and said that from the international point of view, the minorites' rights in Slovakia are above standard.

About 600,000 ethnic Hungarians live in Slovakia, mainly in its southern part.

Romania's Melescanu Responds to Jeszenszky on Ties

LD0401190693 Budapest MTI in English 1804 GMT 4 Jan 93

[Text] Budapest, January 4 (MTI)—Romanian Foreign Minister Teodor Melescanu's reply to the December 4 letter from Hungarian counterpart, Geza Jeszenszky, arrived at the Foreign Ministry today, Foreign Affairs spokesman Janos Herman told MTI on Monday [4 January].

Melescanu noted with satisfaction Hungary's intention to take concrete steps to promote relations between the two countries and organise meetings at different levels. He proposes the first such meeting take place at expert level between Foreign Ministry officials. In his letter, Melescanu confirmed the invitation for Jeszenszky to officially visit Romania.

Jeszenszky Sees New Atmosphere

LD0501122893 Budapest MTI in English 1130 GMT 5 Jan 93

[Text] Budapest, January 5 (MTI)—Hungarian Foreign Minister Geza Jeszenszky said that following a reply yesterday from his Romanian counterpart Teodor Viorel Melescanu, the atmosphere had improved for negotiations and better relations between the two countries.

Melescanu's letter was in response to a letter from Jeszenszky a month ago, that contained concrete proposals for improving bilateral ties.

In an interview carried in the Tuesday issue of NEPSZABADSAG, Hungary's largest circulation daily, Jeszenszky said, "The reply, which arrived within a month, rather quickly in diplomatic terms, also confirms my invitation to visit Romania.

"Melescanu's letter and an interview he gave in Monday's [4 January] NEPSZABADSAG indicate that the atmosphere is now more favourable for negotiations. The letter proposes a schedule for negotiations between heads of departments, foreign ministers and then at higher levels."

Jeszenszky termed it even more significant that: "Melescanu sets again a tone that contradicts dogmas of the extreme Romanian nationalists. This is very favourable and, hopefully, not limited to his personal view.

"The Romanian foreign minister also noted that improving Hungarian-Romanian ties is a European demand and Romania's road to integration leads in part through Hungary.

"He also said that the issue of minorities is not exclusively an internal affair," Jeszenszky's interview reads. It is a recurring demand of Bucharest that Budapest should declare in a Hungarian-Romanian general treaty that Hungary respects the border. On this score, Jeszenszky said:

"Romania sometimes attributes excessive importance to some expressions. The peace treaty provides a full guarantee for this, and the Hungarian Government confirms repeatedly that it has no territorial claims.

"It is very important to agree on a clause which satisfies the general public in both countries. We say it straight out that we cannot fraternize with one another ignoring the Hungarian minority in Romania. For this reason, we proposed involving the Hungarian Democratic Federation of Romania (HDFR) and representatives of the Romanian minority in Hungary in preparations for the general treaty.

"We do not claim that the HDFR representatives should attend the talks between Foreign Ministry officials but that they should take part in preparations. It is important that, as was the case for the German-Romanian general treaty, governments should not come to an agreement excluding the minorities involved," Jeszenszky said.

Russians To Pay Off Debt With Arms Transfers

AU0401212593 Budapest NEPSZABADSAG in Hungarian 31 Dec 92 p 1

[Correspondent's report: "Will We Receive MiG-29 Aircraft From Russia?—T-72 Tanks Are Also Being Offered in Exchange for Outstanding Debts"]

[Text] Using reliable information, it is possible to arrive at the details of the experts' talks on the supply of Russian arms to Hungary. However, the German decision on the supply of spare parts from the former GDR arsenal does not promise considerable results in the near future.

As is well known, the Russian Government will balance part of the former Soviet trade deficit through the supply of military hardware worth $800 million. At the experts' negotiations that followed this agreement, the Hungarian side put in a request for the Russian air defense system that is of similar quality to the U.S. Patriot system. Given the fact that this air defense system is a military product that brings a considerable hard currency income, the Russian partners dropped this solution out of economic considerations. At the same time, the Russian side offered about 26 mainly brand new MiG-29 tactical, reserve, and training aircraft, complete with their full armaments, as well as T-72 tanks. There are also small arms, ammunition, and other equipment among the military hardware in question.

Negotiations on the supply of military spare parts from the former GDR arsenal are still in their initial phase. The offer of the German side refers to the supply of small amounts of spare parts. The planned supply of more than 10 training aircraft seems to be the most important item.

but these aircraft have been stored in their hangars for three years, and there is no reliable information about their ability to function. According to observers, the German offer is the result of a decision regarded as a political gesture, and this will not really help the obsolete arsenal of the Hungarian Army.

Diplomat on Problems in Ties With Slovakia

LD0401230593 Budapest Kossuth Radio Network in Hungarian 2100 GMT 4 Jan 93

[Telephone interview with Jeno Boros, Hungarian charge d'affaires to Bratislava, by station announcer—recorded]

[Excerpts] [Boros] I think that now, as regards the break-up—and it is perhaps well known in Hungary too—the Slovak leadership has declared several times its democratic goodwill to treat the minorities in accordance with European standards. It has undertaken to fulfill all those European norms, international prescriptions which are accepted today in the world, in Europe, in respect of settling relations with neighbors and international relations in general.

In my view this must mean that Slovakia refrains from, or at least, steps back from diverting the Danube; such an action could be termed aggression against the border river of another country. In other words, if somebody wants to make European norms prevail, he must take a stance precisely in respect of Gabcikovo in a European manner.

This also applies to minorities. [passage omitted] If Slovak declarations of accepting European norms hold good, then we will be able to form good-neighborly and friendly relations with the young Slovak Republic.

[Announcer] What consequences will follow if Slovakia does not retreat but continues to want to divert the Danube?

[Boros] I think that this hydro-project affair, which was intended as a bilateral matter, has moved into European forums, and the public opinion of Europe and the world has learned all the negative circumstances which have a destabilizing effect, first on the environment but second on links between the two countries. Slovakia thus exposes itself to international pressure and control which is not favorable for any state and especially not for a new one. For all our best intentions, it will be very difficult to form good-neighborly relations with a country which, despite its statements, does not see these steps as obligatory for it.

Despite all this, I am sure that Hungary will not resort to any kind of force. [passage omitted]

Foreign Affairs Official Views Diplomatic Trends

AU0401201893 Budapest PESTI HIRLAP in Hungarian 30 Dec 92 p 19

[Interview with Foreign Ministry State Secretary Janos Martonyi by Istvan L. Gulyas; place and date not given: "Year-End Interview With Foreign State Secretary Janos Martonyi—The Responsibility of the Transitional Diplomacy"]

[Excerpts] [passage omitted] [Gulyas] There is an issue that we have not yet touched upon—namely the south Slav crisis. It became clear in 1992 that the international forums responsible in the issue do not have an adequate crisis management mechanism or they at least have great deficiencies in this area. This impotence has greatly contributed to the fact that the war in the former Yugoslavia has become a total war. Do you agree with these thoughts?

[Martonyi] Indeed, one of the conclusions we can draw is that Europe and the world do not have a system of effective crisis management and prevention and peacemaking mechanisms that would be suitable for eliminating the large-scale conflicts. Talking about the aspects affecting Hungarian foreign policy, success and failure are present at the same time. I see the success in the fact that before every phase of the south Slav crisis, our diplomacy predicted very accurately to Europe and the world what would happen. [passage omitted] It was a failure, of course, that these predictions did not achieve much although, in my view, it is not so much the lack of foresight but the lack of willingness to take risks in solving the crisis that was missing from the world and Europe. I can find similarities in the reasoning on handling the crisis between the years preceding the World War I and 1991 and 1992. One of these is the exclusion of all forms of military intervention, which was an incredibly big mistake. We did not want to act as instigators of war but in a region where military, rather than political, structures are in operation, the possibility of military intervention must not be excluded. It is also possible to create adequate communication systems through military means! I seem to feel that the international community is beginning to become more determined in the past weeks, and mass communication has a great role in this. I believe that they will at least be able to prevent a further escalation of the conflict, especially since Hungary can also be a victim of this.

[Gulyas] I believe we agree that strong nationalist elements, even on the level of the power, can be discovered in three of our neighboring countries—namely Slovakia, Romania, and Serbia. In your view, is it possible that these three tendencies will one day meet in an antagonistic action against Hungary? We meet with many obstacles in trying to establish good-neighborly relations with these countries....

[Martonyi] Aggressive nationalism is undoubtedly one of the burdening factors whose effects are rather strong in some of the neighboring countries. We have to recognize

its existence and take it into consideration in our security policy. I do not believe that these three countries would create a kind of little entente-like and lasting cooperation against Hungary. However, it is a fact that the nationalist circles of these countries work together; therefore, if you like, the danger already exists. At the same time, the signing of the Polish-CSFR-Hungarian free trade agreement indicates that there is another way. There is another way with Romania, too. I am hoping that historical peace will be made between Romania and Hungary. To achieve this, we need patience, realism, persistence, and inventiveness, rather than spectacular summits preceded by great expectations that do not bring many results. It is important to improve trust on both sides and curb those factors in both countries that can resist conciliation. The Hungarian public seems to be much more ready to do this than the Romanian public. Unfortunately, anti-Hungarian feelings still exist in Romania, but they are not general any more. A section of the Romanian public and intelligence is certainly in favor of this conciliation. [passage omitted]

MSZP Charges Szuros Victim of 'Show Trial'

93CH0252D Budapest MAGYAR HIRLAP in Hungarian 22 Dec 92 p 3

[Article by P.Sz.: "The MSZP Faction Rejects Szuros's Extradition"]

[Text] "Quite naturally, the socialist faction decided to cast negative votes at the plenary session regarding National Assembly Vice President Matyas Szuros's parliamentary immunity, because this is a political show trial—the first of its kind," MSZP [Hungarian Socialist Party] faction Secretary Bela Katona told this newspaper. Katona also said that at yesterday's meeting the faction regarded the case of the rolling dollars as a political show trial and decided to take unanimous action against it. No concocted criminal proceeding has anything to do with criminal law, so the MSZP can only reject such charges. Matyas Szuros may subject himself to the suspension—he must agree to participate in the proceedings, after all—but whatever he has to say is not going to influence the position adopted by the faction, Katona said. "We hope that many representatives are going to vote 'no,'" Katona said.

Justice Minister's New Charge Against Hankiss

93CH0252B Budapest MAGYAR HIRLAP in Hungarian 24 Dec 92 p 3

[MTI report: "New Hankiss Hearing"]

[Text] Minister of Justice Istvan Balsai summoned Elemer Hankiss, the suspended president of the Hungarian Television and the subject of a disciplinary proceeding, to once again appear in the minister's office at 0900 on 28 December. Balsai is the designated examining commissioner and the request was conveyed by his legal representative.

Justice Ministry spokesperson Dr. Gizella Halasz said that the new hearing was warranted because the examining commissioner found it necessary to clarify a few issues relative to the disciplinary proceeding before closing the extended disciplinary investigation by the legally required deadline. One of the subjects to be explored at the hearing is whether Elemer Hankiss violated a legal provision concerning the status of public employees in the course of a 16 December Washington D.C. presentation: "A public employee shall manifest a conduct becoming to the legal relationship implicit in public employment, and to the official functions of, and the position held by the public employee, even outside his workplace."

Court Rules Against Hankiss in Chrudinak Case

93CH0252C Budapest UJ MAGYARORSZAG in Hungarian 24 Dec 92 p 1

[Unattributed article: "Chrudinak Once Again Editor in Chief"]

[Text] The judgment of the Budapest Labor Affairs Court invalidating Elemer Hankiss's action to relieve editor in chief Alajos Chrudinak from his post as head of the foreign affairs desk was affirmed, television vice president Gabor Nahlik informed MTI last night. He also said that "Consistent with the affirmed judgment of the court, Alajos Chrudinak is once again the head of the foreign affairs desk."

Possibility of Postponing 1994 Election Viewed

93CH0252E Budapest NEPSZABADSAG in Hungarian 17 Dec 92 p 1

[Unattributed article: "Elections in 1994—But When?"]

[Text] NEPSZABADSAG has learned that Interior Ministry experts are in the process of examining whether constitutional opportunities to postpone the 1994 elections exist.

The explanation of these inquiries is that government professionals predict slow economic growth for 1994, and this could significantly improve the election chances of the coalition. Legal experts claim that a slight chance for postponing the elections exists indeed. The Constitution provides for the election of the National Assembly four years after the organizing meeting of the legislature (2 May 1990). A new National Assembly must be elected within three months from the expiration of the previous National Assembly's mandate. Parliament functions until the organizing meeting of the new National Assembly. In other words: Elections must be held prior to early August 1994. They added, however, that should elections be called during the summer of 1994, the votes cast could, conceivably, be invalid. This would mean additional weeks of delay, but the question is whether this tactical move would be worth the risk taken.

Antall, Csurka in Running for MDF President

93CH0252A Budapest UJ MAGYARORSZAG in Hungarian 19 Dec 92 p 1

[Unattributed article: "Candidates Nominated by the Membership"]

[Text] We are quickly approaching the January national congress of the Hungarian Democratic Forum [MDF]. The nominating committee of the national congress yesterday tallied the results of nominating conventions held for the election of officers. Based on the members' recommendations, a vice presidents' list containing more than a hundred names and a roster of six possible candidates for president were prepared. Here is the roster: Jozsef Antall, Peter Boross, Istvan Csurka, Lajos Fur, Tamas Katona, and Sandor Lezsak.

Foreign Economic Relations Minister Views Policy

AU0401213293 Budapest MAGYAR HIRLAP in Hungarian 2 Jan 93 p 9

[Interview with Bela Kadar, minister for international economic relations, by Pal Emod on 23 December; place not given: "Public Consensus Is Missing From the Views on a National Modernization Strategy"]

[Excerpts] [passage omitted] [Emod] Talking about export performance, what kind of result can we expect in the 1992 trade balance?

[Kadar] I cannot predict the exact figure because we do not have the data for December yet, and December is a strong month; it represents 8 percent of the annual turnover. Nevertheless, as I see it, the deficit of the trade balance will be $1 billion less than in 1991. This means that the value of imports will be some $400-500 million more than the value of exports. At the same time, the situation is much better from the point of view of the payment balance because certain items that do not attract payment are also in the trade balance—for example, labor carried out on foreign order, leasing, deliveries to Yomburg, or capital contribution. Therefore, foreign trade will again improve the payment balance to a certain extent. [passage omitted]

[Emod] The association agreement with the EC is determining for us because foreign capital investors in Hungary will be aware that they can aim at the unified market of the European Economic Area with their products like cars, lamps, or refrigerators.

[Kadar] It is always one of the tasks of a government—especially in the case of a country dependent on foreign trade—to acquire foreign markets where the goods can be sold, as well as to get access to the necessary foreign resources.

[Emod] It is difficult to argue with this statement. At the same time, the government is also able to promote exports by not allowing the forint to gain value compared to the other currencies. You have stressed a number of times that dynamic exports can only be maintained if the constant forint-revaluing policy is stopped. However, so far, the views of the Finance Ministry and the central bank have prevailed. As the dynamics of exports have become considerably slower, can you see any possibility for a change in the government's view?

[Kadar] The Hungarian entrepreneurial sphere may not realize that in the past two years, in addition to the loss of the eastern markets, the contraction of the domestic market, and the "more expensive money," the forint's 25 percent revaluation has been one of the shocking effects on its conditions of operation. It is almost impossible to counterbalance this with market-protection measures or measures that help improve efficiency and reduce costs. Therefore, we have to accept the consequences of the revaluing policy. I note that the revaluing policy has helped to protect the forint's purchasing power and reduce the rate of inflation, and it had a positive social-psychological effect on the population. In 1989, when one U.S. dollar was worth 110 forints on the black market, few people thought that the black market price would disappear by 1992 and, after the more than 100 percent price rises, one dollar would be given for 85 forints. This improves the general mood of everyone, including tourists, citizens, and the financial government. The latter, in addition, has to "sell" the results of the Hungarian macro-economy's stabilization to the international organizations.

However, as all coins and decisions, this also has another side. In the wake of the increasing value of the forint, imports become cheaper and interest in exporting becomes smaller. In other words, the effect is to reduce domestic production, which might make the consumers happy but the producers end up suffering. [passage omitted]

[Emod] Let us end the interview with a current issue. The State Property Agency recently announced the credit note scheme initiated by the privatization minister, in which every Hungarian citizen can become the owner of a property note worth 1 million forints almost free of charge. What are your views on this?

[Kadar] As a speciality of the "Hungarian way" of transformation, we want to have effective owners rather than simply owners. It is simple to distribute the collective state property, but this does not mean that "managers" have been found who would efficiently operate the capital. In the case of the Czechs, the acceleration of privatization had a domestic political value, therefore the coupon system had a "political dividend" in their case and in the case of Poland and Russia. We do not have any information on the economic dividend. However, we do know that the coupon system excludes foreign investors from many areas of privatization, therefore, this does not really help in the fight for foreign resources. The level of foreign capital accumulation

connected to trust in the country has always been bigger here than in the case of our partners who share our history. Part of the reason was the privatization practice in Hungary. Naturally, privatization has to be speeded up and made more coherent from the national economy's point of view, and made more open, and there are many ways of doing this. Credit notes are one possible form. It might have been noticed that I am not in favor of credit notes. In my view, this is an artificial way of creating ownership. There are, of course, historical moments when owners have to be created artificially. In Hungary, as a result of the processes that started in 1968, the "creeping reforms," the entreprenurial and proprietor behavior is more established than in the neighboring countries. This is another reason why the artificial creation of owners is not justified. We must establish the necessary conditions if we want to speed up privatization. Therefore, in my view, the way the Danubius shares were sold is a better method because there was a strategic investor, and there is promise and possibility to increase the capital. As a matter of fact, the idea of a people's share [nepi reszveny] does not have to be discovered as it has long existed. It is more akin to the market economy and it does not carry the dangers of the artificial creation of owners.

Antall Assesses Economic Prospects for 1993

LD0201191793 Budapest MTI in English 1852 GMT 2 Jan 93

[Text] Budapest, January 2 (MTI)—"Stability was enforced in Hungary in 1992. The economic balance was successfully upheld. We safeguarded the operation of the system of political institutions, and the country's security," Hungarian Prime Minister Jozsef Antall said, summing up the past year's political-economic balance from Hungary's point of view.

The prime minister made the remarks in an interview with the political and social weekly HETI MAGYARORSZAG, carried in the first issue of 1993.

In answer to a question, Antall said:

"What must be noted first of all is that stability was enforced in Hungary, and this definitely is a success. We constantly voice this, but its significance cannot be over-evaluated enough.

"Economic balance has been upheld in Hungary, in spite of the crisis branches, crisis zones, and the decline of the gross industrial product. We have also upheld the operation of the system of political institutions, and the country's security. Hungary remained stable both from the political and the social aspect, the suitable degree of interest coordination was always successfully achieved.

"What must also be considered a success is the 10 per cent decline in the rate of inflation as compared to 1991. This fact is all the more important as Hungary heads the way in the switch to a market economy.

"By today, about 30 per cent of economy has been privatized—as compared to around 10 per cent in 1989. One can argue whether this is fast or slow, but what I remember is that Margaret Thatcher, who cannot be called a believer in state planned economy, said we are implementing privatization at a truly rapid pace," the prime minister said.

"Another circumstance is that, following the communist era, Hungary does not have the appropriate amount of internal capital. Foreign capital must be attracted here, and it is quite a significant result that 55-60 per cent of all foreign capital invested in the entire region was to Hungary, with the exception of the East Germans, but including the Soviet Union. Our political and economic stability is a consequence of this.

"Another result, in my view, is that we were able to ensure a minimal welfare compensation for the population in 1992," Prime Minister Jozsef Antall said in the interview carried in the first issue of the weekly HETI MAGYARORSZAG.

Government Forecasts 1993 Economic Trends

LD0401141693 Budapest MTI in English 1307 GMT 4 Jan 93

[Text] Budapest, January 4 (MTI)—This year is expected to see a stop to falling consumption, with greater domestic demand boosting economic growth, according to the Finance Ministry. The Hungarian Government anticipates a 1-3 per cent increase in domestic consumption, while West European countries are expected to remain stable and provide slightly expanded markets for Hungarian exports. Sales to Central and Eastern Europe also are expected to increase slightly.

Should these favourable events gain momentum, Hungary's GDP [gross domestic product] is forecast, by the government, to increase by 0-3 per cent this year and by 2-4 per cent in 1994.

The rate of inflation is expected to fall to 16-19 per cent this year and 11-13 per cent next year. In an effort to improve convertibility of the forint, foreign currency regulations will be further liberalized. However, no major changes are expected in exchange rate policy, despite the forecast decline in inflation.

Vararoiu Suggests Meeting Hungarian Counterpart

AU0401200793 Budapest NEPSZABADSAG in Hungarian 30 Dec 92 p 3

[Interview with Romanian Prime Minister Nicolae Vacaroiu by Peter Mag in Bucharest on 28 December: "I Would Like To Know More About the Hungarian Reforms"]

[Text] Bilateral relations between Romania and Hungary are not bad, but they are not at the level that would offer potential opportunities—Nicolae Vacaroiu told NEPSZABADSAG at an informal meeting with the press held in Bucharest on 28 December.

[Mag] Mr. Vacaroiu, you recently came up with the idea of a possible Romanian-Hungarian prime ministerial meeting. What would you be talking about?

[Vacaroiu] There are still some unsolved problems in connection with the signing of the basic treaty between the two countries.

[Mag] But this is the task of diplomats....

[Vacaroiu] That's true, but we could discuss a series of issues related to national minorities, namely the rights of national minorities in both Romania and Hungary. I would like to discuss the incidents that have occurred in Hungary and Romania. We should try to discuss the problems related to our neighborhood. As they say, neighbors must live side by side like brothers.

[Mag] What is your opinion about economic relations between the two countries?

[Vacaroiu] In my opinion, our economic relations are not bad, but they are not at the level of our potential. We could greatly extend cooperation, for example by means of industrial investment. At the same time, as far as I am concerned, I can honestly tell you that I would like to know more about the reforms in Hungary.

Iliescu Assesses Economic Situation in 1993

AU0501112493 Bucharest ROMPRES in English 1002 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—"After a period in which the phenomena of crisis amassed so far will keep being manifest, the year 1993 must mark the curbing of the decline and the beginning of recovery in Romania's economy," told President Ion Iliescu on television on January 4. He mentioned that financial, organizational measures would be needed, as well as the government's direct action through specific levers for the refloating of production as the only way of fighting inflation and unemployment.

President Ion Iliescu assessed that Prime Minister Nicolae Vacaroiu's cabinet had the advantage of program coherence and political support of a formation (Democratic National Salvation Front) and, as regarded investments, he said that "initiatives in this respect maybe launched by means of increasing the budget deficit, by turning the banks into investment factors, by the contribution of the economic agents themselves and by attracting foreign capital." Referring to crime and corruption in Romania, President Iliescu assessed them as "serious," pointing out that apart from the steps already taken by the Vacaroiu Government, tough sanctions in keeping with the law were needed as well as a more severe action.

Dorneanu Discusses Ties With Opposition

AU0401192093 Bucharest AZI in Romanian 29 Dec 92 p 3

[Interview with Valer Dorneanu, minister in charge of liaison with Parliament, by Dan Mihalache; place and date not given: "We Wish for Relations of Constructive Tolerance With the Opposition"]

[Excerpts] [Mihalache] Mr. Minister, you are relatively unknown to the public. Would you please introduce yourself to our readers.

[Dorneanu] Since I have somehow become an object of public interest, something which—I have to confess—is completely against my nature, I suppose I have to face up to this "exposure." [passage omitted]

[Mihalache] The government majority is unstable and the Democratic National Salvation Front [FDSN] is assessed by analysts as a heterogeneous structure. Do you think that this will benefit the government's activity?

[Dorneanu] I do not know whether one can speak of a parliamentary majority. The FDSN indeed holds the majority of mandates, but it cannot obtain the necessary majority on its own to adopt laws. For the adoption of laws, it has to be backed by other parties with a similar program provided that those laws meet the expectations and programmatic requirements of the other parties. Certainly, without a political involvement, the support of the given parties may be dictated by circumstances and from this point of view I agree that the government's mission is very difficult. However, I do not think that you are right to affirm that the majority party is a heterogeneous party. As an outside observer, I think that, separating from the National Salvation Front [FSN], the FDSN has become more homogeneous and even more aware of the need to rally its ranks in keeping with the serious consequences it had to bear in the past because of the serious dissensions within the FSN.

I think that the FDSN realizes that only by rallying its forces and through discipline will it be able to govern and implement its program, and it realizes that only by winning—through programmatic and constructive cooperation—the support of other parties will it achieve the adoption of the laws needed to implement its policy.

[Mihalache] What is your opinion of relations with the opposition, which is still quite virulent?

[Dorneanu] I do not know whether optimal relations can be achieved and I do not know whether one can even talk of such a thing. I would rather hope for relations of constructive tolerance and of understanding the need to work, adopt laws, and go ahead.

On the other hand, however, let me be more optimistic and hope that political forces have become wiser and have renounced violence, which was counterproductive for all those who used it.

In building relations with the opposition, I start from the precondition that it exists and that it has been declared constructive (which it has already demonstrated a few times). [passage omitted]

[Mihalache] What is the first package of laws that the government intends to forward to Parliament?

[Dorneanu] The government is indeed preparing such a package of laws. [passage omitted]

Right from the beginning of the Parliament session, it will have on its desk a big volume of draft laws that are very necessary for various sectors of activity.

In the area of labor and social security, draft laws are being finalized that are of great interest from the point of view of the wage and pension system, social security benefits, and state allowances for children; and from the point of view of the status of civil servants; perfecting regulations for the social protection of the unemployed and their professional reintegration; the reorganization of the social security system for the personnel of the Romanian Orthodox Church, and so forth.

A draft law of the first order is being prepared to establish the legal status of houses, which were nationalized by various means. We will seek the best possible solutions to ensure reparative measures for former owners without, however, harming the rights of current tenants. [passage omitted]

A set of important proposals are being prepared at the Ministry of Justice regarding the organization of military lawsuits, the modification of penal and civilian codes of procedure to adjust them to the new judicial organization and the new realities, and regarding the amendment of the penal code and family code, and so forth.

A law on agricultural credits and other measures to relaunch agriculture will complete the draft bills on leasing, on the support granted by the state to develop agricultural vegetable outputs, and on support for farms in mountainous areas—draft bills that are already on the agenda of the Parliament.

In the area of public order, there are the draft bills regarding the operation and functioning of the police, including measures for the protection of policemen; and regarding the organization of the troops of gendarmes; and the protection of material assets.

In defense, there are the draft bills on Romania's national defense, the preparation of the economy and territory for defense, and on the status of military personnel.

This is a brief and accidental enumeration that can be continued with examples from all sectors of activity.

State Secretary Discusses Ex-King's Delayed Visit

AU0501113093 Bucharest ROMPRES in English 0932 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—"I am a Romanian officer, I am not engaged in politics, but I am bound to observe and enforce my country's constitution and laws," told daily LIBERTATEA General Gheorghe Carp, state secretary with the Romanian Ministry of the Interior, who had been commissioned in December 1992 to settle the details and measures needed for the holding of the planned Romanian visit by former sovereign Mihai I of Hohenzollern. General Carp rejected the groundless accusations disseminated in the international mass media by Mihai Ricci, coordinator of the Romanian sojourn of the ex-king. The essential element revealed to the public by Gheorghe Carp is that he had found out during the talks meant to establish the details and measures for the organization of the former sovereign's visit, that Mihai Ricci had not known the details nor had he had the powers required to decide on them with the Romanian bodies. "Still," General Gheorghe Carp noted, "the international mass media announced the calling off of the ex-king's visit consequent to the 'humiliating terms,' to the 'rudeness' of the Ministry of the Interior. Those news items and statements," Carp opined, "were inspired by someone who tried to thus cover his lack of seriousness, his incompetence or ill faith in the organization of that so talked of Romanian sojourn by he former sovereign."

Carp also mentioned that, in consideration of the numerous rumors in Timisoara circulated on the eve of the former sovereign's planned visit as regarded the possible organization of big demonstrations and counterdemonstrations, of political rallies that would be attended by people come also from other cities, rumors caused also by the pro-monarchy leaflets circulated in Timisoara, the forces of the Ministry of the Interior had the duty to secure public order if the rumors had proved true. Consequently, they decided to bring 2,000 police and gendarme to Timisoara, who remained there until December 25. "It was a useless operation that cost the Romanian tax payer as much as 15 million lei."

Situation Reported 'Peaceful' Throughout Country

AU0501103093

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 0900 GMT on 5 January carries the following three reports from Bosnian war zones:

"There was no peace" in the Doboj region and Usora valley last night, according to correspondent Mirudin Aldobasic reporting from Doboj. He reports that "the aggressor" tried to infiltrate "smaller groups of chetnik saboteurs" on "free Doboj territory" last night but the "fighters of the Bosnia-Hercegovina Army" spotted them in time and they were "destroyed completely." "Early this morning the enemy embarked upon indiscriminate shelling of the civilian buildings on free Doboj territory," the correspondent says.

"There were no major combat activities in Tuzla, Lukavac and Zivinice in the last 24 hours," according to Salih Brkic, reporting from Tuzla. He says that "Majevica battlefield also was relatively peaceful" but adds that Kalesija defense positions near (?Celjublje) were shelled by mortars at 1700 GMT yesterday. Brkic also reports "fierce infantry fire along the entire line of Kalesija's defense" at midnight. According to him, the shooting died down at dawn, and the morning in Kalesija is "relatively peaceful."

The morning in Sarajevo is "peaceful," according to correspondent Mladen Bosnjak, reporting from there. He says that only from Novo Sarajevo Commune has intense sniper fire been reported.

Sarajevo Radio Updates Fighting

AU0401174393

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1400 GMT on 4 January carries in its regular 31-minute newscast several reports on the fighting in the republic.

Gradacac Information Center reports that "this afternoon, the enemy used transport helicopters to bring in reinforcements in men and equipment from Duge Njive and Modrica to Skugric and Borovo Polje."

In his report from Tuzla, Mirudin Aldobasic says that "Colonel Slavko Litica, war criminal and commander of the former Yugoslav Army and the founder of Serbian extremists in the Doboj region, appears unwilling to give up his intentions. There is no peace on this front, as the chetniks attempt to break through into the free territory of the (?Usor) valley. The soldiers of the Bosnia-Hercegovina Army are successfully repelling this attempt."

Reporting from Tesanj, Smajl Terzic says that "the chetniks continue to fire with infantry weapons on the Zavidovici front, particularly around Mahoje, Rujnica and Smajlbasici. This morning, there were no serious armed clashes on the Turbe-Travnik front. The wider region of Turbe was sporadically shelled from the enemy's stronghold in Vlasic. Units of the Bosnia-Hercegovina Army have been very active on the Visoko front. The operations by our brave fighters have been successful and the front lines have been moved significantly. Conditions have thus been created for the success of a wide offensive finally to lift the siege of Sarajevo."

A studio announcer says that "the international humanitarian corridor Ploce-Mostar-Sarajevo for the delivery of aid to Sarajevo and Bosnia-Hercegovina has been cut. In the village of (?Bila), some 20 kms north of [word indistinct] on the highway to Sarajevo, the bridge over the Neretva River has been mined and traffic thus halted."

Izudin Sahovic then reports from Mostar that "under normal circumstances, the repair would not take long as only five meters of the road has been destroyed, but since the greater Serbian aggression is under way and the Mostar economy has been thoroughly destroyed and looted, a large question mark hangs over the repair of the mined bridge. Investigators went straight to the scene with a patrol of blue helmets, who now have only the so-called road of [word indistinct] and the road via (?Goravnice) to deliver humanitarian aid. The break in this road could have a negative effect on the defense of Jablanica, Prozor and Konjic."

TANJUG Reports Muslim 'Offensive'

LD0401193093 Belgrade TANJUG in English 1848 GMT 4 Jan 93

[Text] Belgrade, January 4 (TANJUG)—Moslem forces on Monday [4 January] fiercely attacked Serb villages in the Bratunac area, eastern part of the war-torn former Yugoslav Republic of Bosnia-Hercegovina.

Minor provocations of the Moslem-Croat forces, which are preparing new attacks, were reported in other parts of Bosnia-Hercegovina, Bosnian Serb military sources told TANJUG.

Serb forces in the Bratunac area have been successfully resisting a Moslem offensive for two weeks now, local Serb commander Colonel Miladin Prstojevic said. Moslem forces have suffered great losses and it is a matter of time when their offensive will eventually be crushed, Prstojevic said.

In their last offensive in the Bratunac area, Moslems massacred more than 100 women, children and the elderly.

Moslems also attacked Bosnian Serb positions in the villages near Bihac, northwestern Bosnia-Hercegovina on Monday, Serb military sources said. The Moslems are bringing reinforcements into the Cazin Krajina, a Moslem enclave in northwestern Bosnia-Hercegovina, near Croatia's border, they said. Croatian planes coming from the direction of Croatian cities of Zagreb and

Karlovac and landing at an airport near Cazin have been providing weapons for the Moslems in the area.

The Bosnian Serb Army recently informed the United Nations Protection Force (UNPROFOR) Headquarters of 70 Croatian sorties in the no-fly zone over the Cazin Krajina in December.

Croatian forces deployed near Zupanja, Croatia, intensified their artillery attacks at Serb Army positions in Northern Bosnia, the Krajina Corps of the Bosnian Serb Army said.

Members of the Corps discovered and thwarted an infiltrated Moslem commando team on Mt. Vlasic, central Bosnia-Hercegovina.

Croatia's Army on Sunday night opened fire at Trebinje area, the political center of predominantly Serb Eastern Hercegovina, Serb Army sources said. In the past months, regular Croatian troops occupied one third of the Trebinje district.

Over 50,000 of Croatia's regular troops are fighting on the side of the Moslem-Croat coalition against the local Serbs in Bosnia-Hercegovina, where the civil and religious war has been raging for nine months.

Serbs Repel Attempts To Cut Corridor in North

LD0501114693 Belgrade SRNA in Serbo-Croatian 1015 GMT 5 Jan 93

[Text] Muslim and Croatian forces twice failed in their attempts yesterday to cut the corridor into the Krajinas near Markovic Polje and Gorice, on the Brko battlefield, and near Janjici toward Loncari in the Orasje area, Serb military sources have announced.

The Muslim and Croatian forces launched the first infantry attack from the villages of Donji Vuksic and Ulice in Brcko region, and the second from the village of Vidovici, six kilometers southeast of Orasje, trying to break through with tanks and infantry.

In the afternoon, Serb combatants launched a counter-offensive and pushed the corridor's defense line several hundred meters toward the village of Ulice. Two Serb combatants were killed in the fighting.

Serbs Said To Experiment With Pregnant Bosnians

AU0401112393 Hamburg BILD AM SONNTAG in German 3 Jan 93 pp 4-5

[Report by Barbara Schmid: "Serbian Doctors: Human Experiments on Women Prisoners"]

[Excerpt] Concentration camps in which the inmates have wasted away to living skeletons. Violation camps in which Bosnian women have been raped to give birth to "Serbian" babies. The atrocities carried out by the Serbian war criminals have shocked the entire world—and they are becoming ghastlier still and even involve doctors.

Christian Democratic Union [CDU] Deputy Stefan Schwarz has reported that "human experiments are carried out again like the ones by Dr. Mengele in the Third Reich concentration camps." Schwarz has learned that "Mengele's Serbian heirs are carrying out their mad experiments on Bosnian women, prisoners in the violation and concentration camps, which were set up by Serbian President Slobodan Milosevic's soldiers in Bosnia-Hercegovina." Schwarz has information "according to which Serbian doctors have even implanted dog embryos into Bosnian women."

A friend of Schwarz's, who is distributing relief goods in the former Yugoslavia for the "Teamwork" relief organizations, has collected evidence for such experiments there. Schwarz has told BILD AM SONNTAG: "We first learned of these human experiments from a Croatian gynecologist, who discovered a dog fetus in the womb of a dead pregnant woman. Those mad doctors first aborted the woman's baby and then replaced it with an animal embryo."

Another gynecologist from Slavonski-Brod, a city crowded with refugees at the border between Croatia and Bosnia-Hercegovina, has confirmed such reports: "Yes, these human experiments do exist. Every day women who managed to flee from Serbian hands come to our hospital. The Serbs have done the worst things one can do to people." [passage omitted]

Izetbegovic Discusses Future of State

AU0501102293 Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Dec 92 Europe Edition pp 10-12

[Interview with Alija Izetbegovic, President of the Republic of Bosnia-Hercegovina, by Dzevad Kolukcija; place and date not given: "For a Bosnia on the Sea, and a Croatia on the Drina!"]

[Text] Alija Izetbegovic, President of the Presidency of Bosnia-Hercegovina, has spent the last two weeks in Mostar, a city that seems to be the temporary capital of the republic. Every day, President Izetbegovic makes long trips throughout the free and liberated territory of Bosnia-Hercegovina. He has visited Zenica, Travnik, Tuzla, Bugojno, even Gradacac, where despite his advancing years he has often been on the front lines. Judging by the distances measured in thousands of kilometers, the liberated territory of Bosnia-Hercegovina, which is no longer trampled by chetnik boots, is not as small as it seems and is expanding every day. Among the pleas and offers from a great number of newspapers, foreign television and radio stations, Izetbegovic consented, with great pleasure, to give an interview for SLOBODNA DALMACIJA.

[Kolukcija] First of all allow me to ask you your opinion about the most important thing: What is the situation on

the battlefields at the moment; is there a chance of Bosnia-Hercegovina's being totally defeated in the military sense?

[Izetbegovic] They—you know who "they" are—believed in the possibility of a kind of blitzkrieg in Bosnia-Hercegovina. They had hoped to conquer the country within eight to 10 days. In the beginning that is the way it was, but soon our defense became more integrated and their tempo slowed down. At the moment, we have a kind of balance. They have managed to occupy 55 and not 70 percent of the territory. However, more than half of the population lives on our smaller part, in addition to which this is also the more developed part of the country. These are the valleys of the Bosna and Neretva rivers. All larger towns, except for Banja Luka, are in our hands. True, some are under siege, but the chetniks cannot get in. They have been storming Gradacac for seven consecutive months with artillery, tanks, aviation, infantry, and they are gradually getting their teeth kicked in. It is hard, winter is approaching, but it is just as hard for them, winter is approaching for them too. All in all, this is a difficult testing of strength—psychological and physical, moral and technical. Those who are more philosophically and poetically minded like to say that this is a conflict between mind and matter and they are right. The mind will triumph. We are still weak, they are still strong. But we are getting stronger by the day while they are getting weaker. The rest you can figure out for yourself.

They Applauded Me

[Kolukcija] You often say that Bosnia-Hercegovina has won the political battle and that it will win the military battle against the aggressor as well. How close to achieving this is Bosnia-Hercegovina, and how close are the chetniks to adding a military defeat to the already existing political one?

[Izetbegovic] I think I have already partly answered this question, although I will refrain from giving any definite prognosis. I would like to draw attention to the relation, some would call it a dialectical relation, between a political and military victory. If you have political victory, you will probably also have military victory. A reverse situation is also possible, although less probable. However, it is impossible to make up for political defeat with military dominance. Remember the Americans in Vietnam: no new military effects could save a cause that was lost politically from the very start. The pan-Serbian aggression, based on genocide and ethnic cleansing, has been politically defeated and globally condemned. I do not think it can be saved with cannons.

[Kolukcija] Let us go back to the beginning of the war: Could it have been avoided and did you expect such brutality, especially toward civilians?

[Izetbegovic] Doing everything, and I mean everything—you will remember all our various initiatives, our readiness to talk and compromise—we have almost experimentally proved that the war in Bosnia-Hercegovina could not be avoided. We only managed to postpone it for a time. It later became clear that the war had been carefully planned out in case we opted for freedom. I believe that we could not have avoided the war even if we had surrendered. They would have mobilized us and sent us to the front to die for a greater Serbia. This way we are at least fighting and dying for our own country.

[Kolukcija] You have often been criticized, especially in Croatia, for your statement: "This is not our war." It is said that at the time, you distanced yourself from the Croats who were being attacked by the Yugoslav People's Army and that you called the Muslims and the whole population of Bosnia-Hercegovina to "turn their heads away." What did you really say and think at the time?

[Izetbegovic] Yes, this is a typical example of manipulation with a statement taken out of context. Actually, some time last summer, at the height of the war in Croatia, I appeared on Sarajevo Television and asked the Bosnian lads to refuse recruitment and not to join the reserve. This is not our war, I said, and no one can ask you to take up weapons and kill the innocent Croatian population. At the time they applauded me in Croatia, while the Army was considering a plan to remove me from power and arrest me. Somewhere between 40,000 and 50,000 people did not go to the Croatian battlefields. What would have happened if they had gone? Today, when they need it, they only quote one part of the statement and they convolute the meaning. Someone said that by methodically taking quotes out of context you can prove that the Bible is really an atheistic book.

[Kolukcija] You witnessed the months before the war: Did the representatives of Slovenia, Croatia, Bosnia-Hercegovina, Macedonia, and Kosovo discuss any possibilities of a joint defense against the pan-Serbian expansionism or was everyone just looking to save their own skins?

[Izetbegovic] There were some ideas, but as far as I know, these discussions never actually took place.

[Kolukcija] The Serbs and Croats are internationally very often made to look equal in their blame and their intentions toward Bosnia-Hercegovina. To what extent are these estimates and opinions founded in reality and is such a comparison at all possible?

[Izetbegovic] Well, there is no need to lie. There are people in Croatia who would like to get their hands on a part of Bosnia, but that is where all similarity to Serbia and the Serbs ends. Serbia and a part of the Bosnian Serbs negate Bosnia-Hercegovina as a state, they are waging a war to exterminate it, they are using ethnic cleansing as a means of getting rid of all the non-Serbian population, they are destroying cities and cultural monuments, etc. Croatia on the other hand, has recognized Bosnia-Hercegovina, it is accepting our refugees, and is

doing everything in its power to help our fight against the aggressor. Those are facts. The conclusion is self-evident.

The Soldiers Are Smarter

[Kolukcija] The Muslims and the Croats are exposed to pan-Serbian aggression. Is this fact widely known and understood, and have these two peoples, their legitimate representatives that is, created such a front in which the defense against the aggressor is the "goal above all goals," or are certain partial interests, maybe even opposing ones, involved as well?

[Izetbegovic] Your question is not incidental. You, just like me, obviously believe that the crucial fact of a common aggressor and therefore a joint defense, is not understood as much as it should be. Generally speaking, a joint front has not been created, but that does not mean that it does not exist in the field. Smart soldiers and not politicians should be thanked for the latter. Politicians are to blame for those misunderstandings that do arise. According to my personal view, some Croatian Bosnia-Hercegovina politicians are trying to push their political solution for Bosnia-Hercegovina into the same "package" as the joint defense. I believe it is the one they refer to as the Croatian Community of Herceg-Bosnia. In my opinion these two issues should be considered separately because their merging only complicates things and stalls the establishing of joint army commands, without which there can be no efficient fight against the aggressor. We have decided to discuss this in Geneva, with the participation of all interested parties and before the international public and its most influential institutions. Whatever agreement we reach, so be it. However, parallel to the Geneva negotiations, the Croatian Democratic Community is installing the Croatian Community of Herceg-Bosnia, which influences the political solution and makes the Geneva negotiations irrelevant. Maybe all of this could be treated as a purely formal, minor side of the issue if it were not for this: All this is done through one-sided decrees and without consulting the Muslim people and without their consent, although in some places they constitute a significant percentage of the population and in some other places they are the majority. I am aware that those fighting for the country must know what they are fighting for. Our answer is: for a Bosnia-Hercegovina or Herceg-Bosnia if that is the way they prefer it, in which the Muslim and Croatian people will have the same position, the same rights. A state in which the Croatian people will directly participate in the governing of a mutual state. That is the reason for all the proposals for parity representation and consensus of opinion on all important matters. In any case, we want a modern state, and in the case of Croatia we want such relations that will make it possible for our western border to be on the sea and Croatia's eastern border to be on the Drina. Not only formally, but in practice as well.

[Kolukcija] Could the joint defense of Muslims and Croats have been organized earlier and not in the midst of fierce fighting for Bosanski Brod or Jajce, for example?

[Izetbegovic] Of course. I have to repeat that the soldiers wanted this, but it was the politicians who were playing smart and dragging their feet. We are working on it again at the moment, this time with more chances of success.

[Kolukcija] How do you organize a government in a country that is at war, a civil and military one that will be in proportion to the real needs? Do you believe that the representatives of the Muslims and Croats, their leading parties, can jointly constitute a government and share the responsibility regardless of the attitudes of the opposition, who has resisted these attempts so far?

[Izetbegovic] I think that they can and should. I would not mind having Serbian representatives in this government as well, those of them that are loyal to the idea of Bosnia-Hercegovina. Bosnia must be constituted by those who are fighting for it. In Muslim-Croatian municipalities war presidencies have to be formed. There is no place where they can be solely Muslim or Croatian.

[Kolukcija] In that case what happens to Serbian participation? Is an "empty seat" the solution until a democratic alternative to the terrorist Serbian Democratic Party is formed?

[Izetbegovic] It seems that the first answer will have to wait till the end of the war. Maybe sooner, but that depends on the Serbs. In any case a good part of the answer lies with them.

Naivete, Error, Sin

[Kolukcija] After the pan-Serbian aggression on Bosnia-Hercegovina and the massive crimes committed by the Serbs or chetniks, what are your feelings, both emotional and political, toward the Serbian people?

[Izetbegovic] I do not belong to that group of people who can say that this is what they expected. I expected war but not genocide. Let that be taken down as my naivete, error, or sin. I did not believe in crimes of this kind or magnitude. In short, I am appalled, the world is appalled, and I know that many Serbs are also appalled at the crimes committed by their countrymen. As long as I have this feeling, I do not think it advisable for me to make a prognosis for the future.

[Kolukcija] Although it seemed that for Europe a multicultural and multinational existence was the ideal, it did not do anything to help Bosnia-Hercegovina defend itself from an essentially barbarian aggression. Are you disappointed with the "old lady"?

[Izetbegovic] Yes, we proposed a typically European model for the state system in Bosnia-Hercegovina. We had political support and today we have the sympathy of most of Europe and the world. But everything stops at that. Why? There could be a number of reasons. Personally, I believe in this variant: You are drowning, everyone is cheering you on from the mainland, but no one is ready to jump into the cold water and save you. This is moral weakness. Europe has been living in peace

and comfort for a long time now, and loyalty to principles is usually in inverse proportion to comfort. I thank God that a generation like this one was not living in Europe prior to World War II. Europe was hesitant at that time too. Just remember the Anschluss and Munich. Luckily, it pulled itself together just in time. Otherwise it would be the Nazis who would be running the world today.

[Kolukcija] Do you doubt the strength of European morals after everything that Europe has calmly "viewed" in Bosnia-Hercegovina? Can everything be explained as a conflict of interests between the world powers?

[Izetbegovic] A conflict of interests or moral weakness? I think both, although I believe that when it came to making decisions the latter was predominant.

[Kolukcija] Is it now America's turn to try and save Bosnia? What did you talk about with new Vice President Gore that has not already been published?

[Izetbegovic] Fifteen months ago, during my first official visit to the United States, I expressed doubt in Europe's ability to handle all the problems arising from the breakup of Yugoslavia, and I requested that America become more involved. I now repeated the same thing to Senator Gore, future U.S. Vice President, but he did not comment on my request. He said that he would pass this and some other messages of mine on to Mr. Clinton, under whose orders he was acting when we had this conversation.

[Kolukcija] Can some of the powerful Islamic countries significantly influence America? What did Bosnia-Hercegovina gain from the recent conference in Jeddah? Was there something that has not been made public?

[Izetbegovic] Everything from Jeddah has been published and is well known. I think that five of the most powerful Muslim countries, Saudi Arabia, Iran, Turkey, Pakistan, and Egypt can significantly influence the international community and the United States. This influence can already be felt. The tragedy of Bosnia has played a vital role in the integration of the widespread and multifaceted Muslim world.

[Kolukcija] The relationships between Muslims and Croatia and with Croats in Bosnia-Hercegovina have been through various phases. They were not always great during the war. What are they like today and can they be better tomorrow?

The Geneva Draft

[Izetbegovic] These relationships were always less satisfactory than they could be. The common man is in this instance smarter than a politician, and if there have been any problems, they did not arise from the people. The common people who live in mixed communities especially in central Bosnia, sometimes wonder at the statements and actions of their little "leaders." Unfortunately, during a war, the people do not have a great deal of say in the matter. Instead of priests and teachers it is the corporals, sometimes even war profiteers, who govern the situation in the field. They usually try to push the slogan about there being no democracy while there is a war. The fact that there is no democracy means that they are the ones who should rule. Personally, I believe that even when there is no democracy, there should be common sense. Anyway, there are realistic reasons for a present and future close cooperation between Bosnia-Hercegovina and Croatia, and objective factors will predominate in the final outcome. This outcome can already be felt.

[Kolukcija] The Muslims would like Bosnia-Hercegovina to be a state with 10 to 13 regions, whereas the Croats would like it to have three constituent ethnic units. Do you believe that the Croatian proposal is at all possible, and if so, how can it be adapted to fit the Muslim proposal?

[Izetbegovic] I will explain this in simple language: We want a normal, European state on this territory. The last of the Vance-Owen proposals, I am thinking of the Geneva "draft", resembles this model and we have accepted it in principle. Boban did too. I honestly do not understand where the misunderstanding is now. As far as I know, this "draft" does not anticipate the division of Bosnia into three constituent units. In fact, it is so clear on this point that it does not allow for different interpretations. I think that the problem lies in the Croatian community of Herceg-Bosnia, a project whose imposition is being attempted independently of the Geneva negotiations. I told Boban that there was no problem involved in calling one of the units in Bosnia-Hercegovina Herceg-Bosnia, but as an administrative and territorial unit and not as a Croatian community. How do you explain to Muslims in Jablanica or Gornji Vakuf for example, that they are in a Croatian community although their municipalities are predominantly Muslim? Everyone knows that these "explanations" involve force and there is going to be no force. That is why I said that we need common sense because otherwise Karadzic will turn everything to his advantage.

[Kolukcija] The Croatian Community of Herceg-Bosnia officially claims that the agreements on the participation of Croats in the Government of Bosnia-Hercegovina and other state bodies are not being honored, and that the forming of a new government and the election of Mr. Lasic [Croatian member of the Bosnia-Hercegovina Preisdency] and other Croat representatives are way overdue.

[Izetbegovic] I have not heard these claims, but I will answer them anyway. The prime minister is a Croat, the Croats have six ministries, among which are defense and finances, a Croat is the governor of the National Bank. In this same government, the Muslims have only one ministry more than the Croats. We have proposed the distribution of ambassador posts almost wholly on parity basis. It is true that the decision concerning Lasic is way overdue, but there are valid reasons for this. Simply,

owing to some of the members being away, the Presidency in Sarajevo lacks a quorum.

[Koluckija] Of course you cannot have anything against legitimate Croatian authorities exchanging Stjepan Kljuic [former Croatian member of the Bosnian Presidency] with Miro Lasic. Are you personally unhappy about this? Let me remind you that what is most held against Kljuic is that he was an extension of your person, almost a pawn in your hands. Is there at least a grain of truth in this?

[Izetbegovic] I do not want to be involved, least of all judgmental, in Croatian disagreements. When it comes to Croatian interests and personnel, it will be the way the Croats want it. Kljuic is not my man, why should he be? I was not the one who posted him, he was elected to office. As far as I know, he is just a man. He lost the political battle because of a trait that is a virtue in a human being but a flaw in a politician. I have great respect for him, both as a man and as an intellectual.

[Kolukcija] Is is true that the Muslims want an Islamic state in the "heart of Europe" or that your goal is a centralist state? You have often negated this. Is there a need for you to do so again?

[Izetbegovic] They say that in politics it is never in vain to repeat things. Therefore, I am neither for an Islamic or a centralist state. Judge for yourself: The same people accuse me of wanting an Islamic and a civil state in Bosnia-Hercegovina, depending on what suits them at the moment. And as far as a centralist state goes, I will just remind you that in Geneva, we proposed a state with 12 decentralized regions.

I Remain the President of the Presidency

[Kolukcija] In an interview for the JERUSALEM POST, Croatian Defense Minister Gojko Susak said that Croatia and President Tudjman personally are exposed to Muslim pressure from Bosnia and that Croatia constitutes a kind of barrier against Islamic fundamentalism in Europe. Is there any basis in reality for these claims, which the leaders of Herceg-Bosnia have already dissociated themselves from? Let me remind you that on the other hand, Croatian Foreign Minister Skrabalo says that Croatia should extend one hand to the West and the other to the Islamic countries. With whose opinion do you agree?

[Izetbegovic] I have not heard these statements. I know Minister Skrabalo personally, and I have great respect for him. There have been complaints on the part of the leaders of Herceg-Bosnia that the Muslims are taking all the ambassador posts for themselves.

[Kolukcija] Is it true that the ambassador list got stuck on the filling of the posts in Germany and the United States?

[Izetbegovic] I have already said that we have offered a fair distribution of ambassador posts. Ask Boban. It is true that we received an answer stating that the Croats wanted the posts in Germany and the United States. You know, of course, that for Bosnia-Hercegovina, those are the two most important embassies in the world. We have proposed to split them, but so far we have not received an answer.

[Kolukcija] When can we expect the constituting of a joint supreme command? Is Sefer Halilovic, who the Croatian Defense Council denounces as a putschist and part of a subversive plan at the very top of Bosnia-Hercegovina's Army, the main obstacle? Is Halilovic so important that he may be an insurmountable obstacle?

[Izetbegovic] The constituting of joint army commands is just about to begin and Halilovic is no obstacle. As far as I know, he himself wrote to the Croatian Defense Council earlier and proposed just that. No personal reasons or considerations will obstruct what is of vital interest to the defense of Bosnia-Hercegovina from a mutual aggressor. There will always be a place for a patriot in the joint armed forces and in their commands.

[Kolukcija] For many, 20 December is D-Day. Namely, that is the last day of your mandate. Will there be a change?

[Izetbegovic] According to the 51st amendment of Bosnia-Hercegovina's Constitution, in the event of war, the mandates of the Presidency's members and president are prolonged for as long as circumstances require, that is, until conditions for their normal election are satisfied. After the last elections, the three victorious parties made an agreement dividing the three most important state functions among themselves. According to this agreement the president of the Presidency will be a Muslim, the prime minister a Croat, and the president of the Assembly a Serb.

[Kolukcija] In an interview for the BBC three days ago, you said that after 20 December you would remain the president of the Presidency.

[Izetbegovic] Yes, that is what I said.

[Kolukcija] What is your view on establishing an interior ministry for Herceg-Bosnia, which does not recognize the authority of Bosnia-Hercegovina's Interior Ministry?

[Izetbegovic] I respect and recognize only the laws and institutions of the Republic of Bosnia-Hercegovina. I will respect and recognize everything that is decided on a parliamentary basis and that is legally changed.

[Kolukcija] The encompassing of the electric-power industry on the level of Herceg-Bosnia presents the same type of problem?

[Izetbegovic] Since the question is of the same type, so is the answer.

[Kolukcija] Is the claim of Herceg-Bosnia's leaders that Europe wants Bosnia-Hercegovina to be a state with three constituent national units true?

[Izetbegovic] I do not know what Europe wants, but judging by the European Community's representative at the Geneva negotiations, Lord Owen, quite the opposite might be concluded. He has stressed more than once that neither Europe nor the world want a division of Bosnia-Hercegovina based on national criteria. Furthermore, the already mentioned draft of Bosnia-Hercegovina's constitutional order drawn up in Geneva contains several variants for the internal organization of the country. Not one of them is "tripartite." Since you ask, this is Europe's position. Just how relevant Europe's opinion is, is a different matter.

Do Not Lose Hope

[Kolukcija] As you know, the international conference on Bosnia-Hercegovina (ICOBIH) is being prepared in Mostar. The conference's main topic will be "The Bosnian Muslims—a European People." Can this conference help to change the prejudice that Muslims are not a European people either culturally or by descent?

[Izetbegovic] The Muslims of Bosnia-Hercegovina are people from the "Great Border," from the boundary between two worlds: by faith and sensibility they belong to the East, intellectually and educationally to the West. We are not Europeans in the same way the Germans or the French are. I would applaud a scientific conference to examine the specific character of Bosnian Muslims, while at the same time it would not force any facts.

[Kolukcija] What would you prefer: Milosevic, FRY Prime Minister Milan Panic, or an intervention against the Serbian aggressor?

[Izetbegovic] Milosevic would prolong the war, Panic would prolong the confusion, and an outside intervention seems highly unlikely.

[Kolukcija] What is your Christmas and New Year's message to the citizens of Bosnia-Hercegovina?

[Izetbegovic] They must not lose hope despite the desolation and the darkness. And they must believe that the forces of light and goodness, symbolized in these holidays, will triumph in the end.

[Box, p 11]

Two Performances of Nationalism

[Kolukcija] Do you agree that there is no great difference between the authorities and the opposition in Serbia when it comes to creating a state in which all the Serbs would live? Did you expect more from the democratic public in Serbia? Did you expect them to raise a protest against the genocide that the Serbs are carrying out in Bosnia-Hercegovina?

[Izetbegovic] Yes, both the authorities and the opposition in Serbia are nationalistic. However, the nationalistic program performed by the opposition would differ in the methods that would be used. In Milosevic's performance, in addition to a racist component there is also a bolshevik one that has made it possible for the crime to be complete. This is negation of the human being and human rights, which is in the nature of bolshevik ideology. The crime is supported and justified by theory: there is no God, therefore there is no man. Human beings can be, and are, swept away with an iron broom. Then there is the subjugation of the media according to the bolshevik model. That is why I believe that not everyone in Serbia can come under the same heading. The democratic opposition in Serbia is the better part of the country, but it is not strong enough and it has no influence over the course of things.

Mitterrand

[Kolukcija] Last summer, you greeted Mitterrand warmly. Was it a matter of protocol and were you aware at the time that he had come to Sarajevo to eliminate the danger of an intervention and to help the Serbs, which is what the majority of people think?

[Izetbegovic] What follows from your question is that the decision for a military intervention had already been made and that Mitterrand's arrival eliminated it. I do not believe in either alternative.

Better Than Before

[Kolukcija] Do you and President Tudjman understand each other better than before?

[Izetbegovic] Yes, you could say that.

[Kolukcija] When Mate Boban commented on your recent meeting he said that it had been a meeting of friends who "understand each other better today than they did yesterday." Would you agree?

[Izetbegovic] Yes, I can confirm that too.

Silajdzic Views Western Role in Conflict

AU0401153793 Zagreb NOVI VJESNIK in Serbo-Croatian 28 Dec 92 First Edition p 3

[Interview with Bosnian Foreign Minister Haris Silajdzic by Gordana Tintor in Zagreb; date not given: "An Uncontrollable Virus of Violence and Barbarianism"]

[Text] Haris Silajdzic, foreign minister of Bosnia-Hercegovina, made a short visit to Zagreb after his meeting in Washington with the new vice-president of the United States, Al Gore.

Silajdzic described the meeting as very encouraging. Before he departed for Geneva to take part in the latest round of peace talks, the head of the Bosnian diplomatic service gave an interview to NOVI VJESNIK.

[Tintor] You have always emphasized that you represent Bosnia-Hercegovina as a multiethnic, multiconfessional, and multicultural country. How is it that this impression of Bosnia-Hercegovina has been so distorted, and why has the world reacted so late to all the horrors there?

[Silajdzic] Many people are seeking to justify for their own inactivity in this historic event. They have sometimes tried to justify their inability to cope by claiming that in Bosnia-Hercegovina it is civil war. However, it is absolutely clear now that it is genocide and aggression against Bosnia-Hercegovina. The sanctions, the CSCE documents, as well as the documents and conclusions of the General Assembly, the Security Council, the European Council, the EC, and international public opinion support this fact. I have to say that in some European establishment circles—and I do not mean the general public—a certain lack of clarity was used as an excuse for inactivity. Bosnia is possible only the way it is, and no other way.

[Tintor] That means, as you usually put it, a Bosnia unified from three equal peoples, and not some "unitary" state?

[Silajdzic] First of all, I do not know what "unitary state" means. Let somebody explain it to me. Bosnia should be a state such as was agreed upon in Geneva, following the proposal of Vance and Owen [cochairman of the Conference on Yugoslavia] and accepted by all. That means a decentralized state with a high degree of autonomy for the provinces, which is exactly the opposite of what is implied by the term "unitary state".

[Tintor] How many provinces have been planned, 10 or 11?

[Silajdzic] It does not matter whether it is 10 or 11. What matters is the concept. The provinces would be based on many elements, among which is the ethnic element, but not exclusively so. Among the others, there would be elements of development, natural gravitation, as well as geography, communications, and traditions. These provinces cannot be arbitrarily carved out. Bosnia, like every state, has developed in its own way. It is a very old state and its borders are among the oldest in Europe. It has had natural development just like every other state, and one must respect that fact. One must understand that we are striving for the future. Bosnia must be a state such that its internal administrative system will ensure orientation toward the future, and not toward the past of some ethnic-religious communities, which is, as I regard it, an anachronism, and would lead to new catastrophes.

[Tintor] Have you personally declared yourself, like other Bosnia-Hercegovina representatives on international forums, against ethnic segregation?

[Silajdzic] Certainly, we have always underlined that it is impossible.

[Tintor] Would you confirm that Boban [Croatian leader in Bosnia] and Karadzic [Serb leader in Bosnia] support such a segregation of Bosnia?

[Silajdzic] In the case of Karadzic, it is true. Let us remember how the war started. It started because the segregation desired by the Belgrade regime, the so-called "ethnic segregation," was impossible without the extermination of people. Belgrade understood it well, and began their "ethnic cleansing", which is a euphemism for genocide. Karadzic is only the instrument of this policy. And "ethnic cleansing" is necessary simply because ethnic segregation is impossible. Bosnia is a place where different civilizations meet, it is an important seam of mankind, which, when torn apart, causes disaster. So it is impossible to create ethnic units there without causing new catastrophes.

[Tintor] From the very beginning of the year we knew that war threatened Bosnia, and what a bloodbath it would be. Do you believe that it could have been possible to prevent the war?

[Silajdzic] We saw clearly what was coming. We saw the Serbian paramilitary units arming themselves, we saw that the Yugoslav Army had chosen its way, and we pleaded with the United Nations to send peacekeeping forces while it was still peaceful. I personally requested this of Cyrus Vance. They did not understand us. Only the timely intervention of the Security Council, or in old-fashioned parlance, the Great Powers, could have prevented the war. As this did not come, we alone could not stop the catastrophe. Vukovar had been warning enough for the days to come.

[Tintor] Does that mean that you were thinking of Croatia's experience while warning the public of the danger that Bosnia-Hercegovina was facing?

[Silajdzic] I believe that Vukovar adequately showed that we were having to deal with criminals, with an illegal regime that should have been stopped in time. Unfortunately, we were too unimportant at the time to arouse the attention of those who could have done something.

I went to the United Nations, spoke to Vance about sending UNPROFOR [UN Protection Force] troops—he remembers that conversation quite well, and now he regrets not sending the troops in time, just as he will probably regret that he did not propose the lifting of arms embargo in time. However, his regrets are hardly of much use to us.

[Tintor] In spite of your experiences with the so-called Serbian faction, your views are not anti-Serbian.

[Silajdzic] We are not anti-Serbian, but rather anti-chetnik. Those who have committed and still commit the crimes are, however, Serbs, and that is something the Serbian people have to live with. It is a fact that these people were brought up in the Serbian spiritual cradle. The Serbs will have to come to terms with this fact.

[Tintor] How do you view the possible course of events after the Serbian elections?

[Silajdzic] Believe me, I personally have not paid any attention to these elections. They cannot change much, because it is all about force. There is no democracy in

Serbia. There is force, and it will not be stopped until some other force stands up to it. I do not give it much hope.

[Tintor] Are the Bosnian Army and authorities working to resist that force?

[Silajdzic] Of course we are. For the majority of our people, it took a long time to realize that they must fight for their very lives, and it took our peaceful people time to turn into fighters. Now, these people are fighting for their lives, and the lives of their children, and a chetnik victory is out of the question. The shame of the whole world lies in the fact that the target of the arms embargo is principally the victims of the aggression. I hold that the arms embargo is illogical, illegal, and immoral.

[Tintor] You have just arrived from Washington. Are there any signs that with the inauguration of Bill Clinton in January 1993, some things regarding Bosnia could be changed?

[Silajdzic] If you are asking me about my meeting with Mr. Gore, I cannot go into details, because I have promised not to discuss it. However, I can tell you how impressed I am with the expertise of Mr. Gore and Mr. Clinton's team that is in charge of the Bosnian issue. They have a very good insight into what is happening here. I think that their condemnation of the aggression against Bosnia-Hercegovina is more than mere rhetoric.

[Tintor] What is your comment on the recent visit of Owen and Major to Sarajevo? Is it just one more attempt to force any kind of peaceful political solution, or is it a possible precursor for military intervention?

[Silajdzic] I think that the West is still trying to resolve the issue of the greater Serbian aggression on Croatia and Bosnia-Hercegovina without any risks or losses. Since the very beginning, we have been warning that the longer intervention is delayed, the more difficult and expensive it will be, and that the issue of Bosnia-Hercegovina is a concern of Europe and the world, because the plague of violence and barbarism cannot be contained within certain limits. However, I think that Lord Owen has been sincerely trying to do something regarding the demilitarization of Sarajevo.

[Tintor] Do you believe that the signals of the West to Serbia are not clear enough?

[Silajdzic] The signals are obviously not clear, because the aggression could have been stopped several times by now. For instance, by implementing Resolution 752, requiring the the aggressor to withdraw, something which did not happen. The aggression could have been stopped by the London conference, where the highest diplomatic circles insisted, at least in principle, upon the prohibition of force in Bosnia-Hercegovina. International observers were never sent to Bosnia-Hercegovina's borders, the aggression has never stopped, the ethnic cleansing has never ceased, cities remain under siege, the killing still goes on. And what remains is the forthcoming Geneva conference....

[Tintor] Regarding the future internal organization of Bosnia-Hercegovina to be discussed in Geneva, the Muslims and Croats have been able to agree upon the important issues, and are prepared to talk over all details still under dispute. However, any agreement with the Serbian faction has so far been unattainable.

[Silajdzic] You, of course, mean the chetnik faction. So long as the aggression lasts, we have to defend ourselves.

[Tintor] Who are the representatives of the Bosnian Serbs who have declared themselves against the greater Serbian policy, and who participate in the government of the country?

[Silajdzic] Dr. Mirko Pejanovic is a member of the Presidency, and a member of our delegation in Geneva, and Mr. Miro Lazovic is a member of the government. These are people who do not support the chetnik aggression, and they believe, as we all do, that Bosnia-Hercegovina must be defended against this aggression.

[Tintor] What do you expect from the Geneva conference?

[Silajdzic] Everything depends on how seriously the West will back up the project proposed by Vance and Owen on the internal organization of Bosnia-Hercegovina.

[Tintor] How optimistic are you on the eve of the latest round of the Geneva conference?

[Silajdzic] Experience hitherto shows that any serious dialogue with the aggressor is impossible.

[Box, p 3]

"We Are Like Rome Surrounded by the Barbarians"

[Tintor] What is going to happen to the hundreds of thousands of refugees, the victims of ethnic cleansing?

[Silajdzic] Their fate is really horrible. Those people have hearts of gold, as a poet would say. Throughout all its history, Bosnia has always provided a sanctuary to anyone. It is really sad that some governments are agonizing over whether they will or will not take half a dozen refugees, as Great Britain is. Such behavior by the British Government has been condemned by their own public. Bosnia had been familiar with human rights and needs long before the United Nations were founded. Now, these people have only their pride and nothing more, but at least their pride must not be taken away. Let us imagine ourselves in such a position: A whole life packed into two plastic bags, and taken into a world full of strange faces, and full of closed doors....

We are not some wild tribe, we are the victims of aggression by violence and primitivism, we are like Rome surrounded by the barbarians. This story repeats

and will further repeat itself, until we produce a really effective mechanism against these monsters.

True, we are a technologically undeveloped country in comparison with Europe, but in terms of history and civilization we are one of the most successful models of a multiethnic and multicultural society in Europe.

And now, Europe is letting this die. Throughout history, Bosnia's people have been very generous, and now look what they have received in return. This speaks, actually, more of Europe than of Bosnia.

Commentary Profiles Serb 'Propaganda Machine'

AU0401193793 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 4 Jan 93

[Commentary by Emir Radanovic]

[Text] The ruthless lies that the enemy Serbo-chetnik aggressor propaganda machine is serving up are laughable to us but they do have their extremely vicious side. To the ignorant, and there are many of them, these lies represent nothing but the truth, particularly for those who are from the same place as the aggressor, and they are taken for granted. Let us just remember: the streams of Serbian blood in the Vase Miskin Street [bread line] massacre, the surrounding of Milorad Ekmecic's apartment, the throwing of Serbian children to the lions in Sarajevo's zoo in Pionirska Dolina, all the way to the recent hallucinations of [Serb] General Milan Gvero at Sarajevo airport about 20,000 Serbs murdered in that same city, which we find comical as we witness daily events in Sarajevo. If these Sarajevo Serbs are endangered by anyone, then they are endangered by General Gvero himself as he sits in the hills overlooking the city and fires his Karadzic-Mladic-Milosevic shells at them together with the Muslims, Croats, Jews, Albanians and everyone else still alive, at children and the sick, at the old and the young, at anything that moves. They and their masters are our executioners in this Vukovar-like city for which we have lived and for which, if need be, we will die though not without resistance.

Milan Gvero should realize that. However, as we have said, these and similar absurd statements are not innocent. They are always aimed at one thing—as an excuse for crime. They are used regularly as justification for villainy hitherto unseen by mankind, and General Gvero, being well aware of that, always arrives at talks with more of his hideous lies using them to conceal the yawning graves of so many innocent victims, and also to announce the opening of new graves because, good God, someone has in the meantime killed 20,000 Serbs in Sarajevo. Who killed them, when and where, is of no importance to Gvero, just as it was of no importance to him when he used to claim that not so much as a single catapult had been used against Dubrovnik, forgetting the thousands of shells. No, not a single catapult was indeed used, but plenty of his shells were.

That is how General Gvero works. Poor Sarelian Serbs that they should have him looking after them, have him weeping his crocodile tears over them, while he is liberating Dubrovnik from the Ragusans, Sarajevo from the Sarelians, and Bosnia-Hercegovina from us, the Bosnians and Hercegovinians. It is quite amazing that the representatives of the international public here, knowing these repulsive lies, do not cut short this misanthropist in his verbal assaults. Until they do, he will just use the salvation of the Sarelian Serbs as a pretext for new crimes against, among others, these very Serbs. After all, Milan Gvero has already sent plenty of deadly shells in their direction.

May God love us and save us from saviors and protectors such as General Milan Gvero.

President Tudjman Comments on Geneva Talks

LD0401213493 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 4 Jan 93

[Text] We have just received the recording of a statement made by Croatian President Franjo Tudjman on his return to Zagreb from Geneva. Dr. Tudjman said:

[Begin recording] As far as the Croatian delegation is concerned, the delegation from Croatia and the delegation from Bosnia-Hercegovina, we could be satisfied. Still, all sides have to speak in favor of peace, and this is of fundamental importance for ending the war, not just in Bosnia-Hercegovina but here in Croatia as well. We intend to finalize that which is left over as the consequence of the war. On the other hand, in their draft plan for resolving the crisis in Bosnia-Hercegovina, the cochairmen of the conference on former Yugoslavia and their aides, Ambassador Ahtisaari and General Nambiar and Ambassadors Okun and Hall, came up with proposals which provide foundations for a constitutional-legal solution to the crisis, for the future organization of Bosnia-Hercegovina on the only possible foundation on which it can survive—as a community of three constituent nations—and with a division into provinces with which the other two sides are either not completely satisfied or not satisifed to a large extent. The Croatian side, however, can be satsified. [end recording]

Serb Leader Warns Cosic on 'Bartering' Lands

LD0401171593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1624 GMT 4 Jan 93

[Text] Belgrade, 4 Jan (TANJUG)—Goran Hadzic, president of the Republic of Serbian Krajina, issued a statement today regarding the Geneva negotiations, saying that Federal Republic of Yugoslavia [FRY] President Dobrica Cosic is not authorized to negotiate "with anybody" on behalf of the Republic of Serbian Krajina.

He said in the statement, carried by the ISKRA news agency: "FRY President Dobrica Cosic is not authorized to negotiate with anybody on behalf of the Republic of Serbian Krajina which, although officially warned on several occasions, he is doing again in Geneva."

"This attempt at separate negotiations in which an exchange of territories has been mentioned represents direct interference in the internal policy of the Republic of Serbian Krajina, i.e. in the authority of the president of the republic and the speaker of the Assembly of the Republic of Serbian Krajina," the statement says.

"Respecting the will of the people and historical justice, I would like to stress that there will be no bartering over the ethnic Serbian territories," Hadzic warned. He added that on behalf of the Republic of Serbian Krajina he hails "all efforts aimed at finding a peaceful solution to the conflict on the territory of former Yugoslavia on the principle of the right of nations to self- determination."

Zagreb Radio: Izetbegovic Wants To Continue War

LD3112230492 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 31 Dec 92

[Text] While UN Secretary-General Butrus Ghali believes in the success of negotiations which started on the beginning of this week and which should continue on 2 January in Geneva, Bosnia-Hercegovina leader Alija Izetbegovic stated, let us cite him again: "We are left with only one choice ...to continue fighting, save what has been liberated, liberate what is occupied, and punish the criminals."

"Continue fighting," these words obviously mean that Izetbegovic, supposedly a serious man, despite all efforts to end the crisis in a peaceful, political, diplomatic way is calling for a continuation of war even though all world politicians assured him that war could not solve the problems, as in any case, whenever the war ends, everyone will have to sit down to discuss the political future of Bosnia-Hercegovina and all of the territory of former Yugoslavia. Was Izetbegovic's decision based on an incorrect evaluation of the situation or was somebody from the outside spurring him on and giving him support... it is difficult to say but one thing is certain—as the Geneva negotiations are set to continue and as a larger part of the peaceful world begins to believe in them, Bosnia-Hercegovina leaders are not in agreement with diplomats at the international conference and all over the world.

Today's demonstrators [reference to anti-Butrus-Ghali protest in Sarajevo] also had a part to play. We must hope that Bosnia-Hercegovina leaders will realize that continuation of the war is of the least possible use to them. After all, it is hard to see with who and with what Muslims would want to continue the war...let them sort it out on their own.

Western Action Against Serbia Seen as Inadequate

AU0501113693 Zagreb VECERNJI LIST in Serbo-Croatian 17 Dec 92 p 11

[Commentary by Nenad Ivankovic: "The Tied Hands of the West"]

[Text] What can be expected from the Geneva Conference on the former Yugoslavia—now with the addition of 30 foreign ministers from the world's most powerful and influential nations?

Definite suspension of diplomatic relations with Belgrade as an overture to a military intervention? Definite suspension of all financial transactions with Milosevic's government? The undertaking of efficient measures so that the embargo against the Serbo-Montenegrin federation can finally be carried out? The lifting of the embargo on weapons import for the Bosnian Government? This is the package of desires (and proposals) with which the German Government is going to Geneva, but it is

doubtful whether it will be accepted by the other participants, all the more so because it should be an introduction to a military intervention in Bosnia. Unless of course, Milan Panic wins the Serbian elections!

The West has once again tied its own hands by the unrealistic expectation that Panic's possible electoral victory might bring about a significant reversal in Serbian policy in the Balkans. That is why no firm or binding decisions of the international community should be expected before 20 December, except election campaign threats, warnings, and signals that the Serbs have always contemptuously waved aside. After all, the Americans have clearly signalled such a "schedule," and the Europeans have embraced it eagerly.

If Panic loses the elections, it can be expected that the Security Council will decide to implement by force the ban on military flights over the territory of Bosnia-Hercegovina. Didn't the French request that, too? What is less known is that even their European partners are snickering at this initiative of the French. Not only because so far Paris has done everything possible to discourage the West from even thinking about a military intervention against the Serbs, but even more because such an action would not accomplish anything—except provide an alibi for saying that something "resolute" has finally been done.

The recently concluded ministerial meeting of the Conference on Security and Cooperation in Europe held in Stockholm not only showed just how perverse Western policy toward the Serbian war is, it also showed just how far it reaches. It was only after a lot of squabbling and toning down of the formulations about the war in Bosnia-Hercegovina that the ministers were able to agree on a statement in which there is practically nothing new. The British, but also others, blocked the decision to lift the weapons embargo banning weapon shipments to Sarajevo under the excuse that this might endanger the lives of British and other "blue helmets [UN troops]." Only a short while ago, weapon shipments to Sarajevo were rejected out of so-called humanitarian reasons. From Bonn to London, from Paris to Brussels it was constantly repeated, in parrot-like fashion, that it would only intensify the conflict and cause "new casualties among the civilians." Today, when most of the civilians in Bosnia-Hercegovina are either dead or exiled, when the only ones left are in towns that are surrounded, Western politicians have found new, equally ridiculous excuses.

Finally, is it realistic to expect the announced selective bombing of Serbian positions and military warehouses? Only if Europe, together with the United States, really does decide to reverse its policy toward the Serbs. However, that is not possible if at the same time it does not put itself on the side of the Bosnian Muslims and Croats, and that is the last thing Paris, for example, wants. Maybe that is the reason so much hope is invested in Panic. He is supposed to rid the West of the responsibility of doing something they would rather not do. However, the Islamic world is getting impatient, and European and American public opinion is more and more disappointed in the morals and conscience of its politicians.

That is the only thing that might ensure that after all the Serbian crimes, after all the international conferences, and after the Serbian elections, the West, under the UN flag, will do something after all.

Commentary Suggests Serbs 'Blackmailed' UN

AU0401151393 Zagreb VECERNJI LIST in Serbo-Croatian 28 Dec 92 p 6

[Commentary by Sasa Lekovic: "The Serbs Are Humiliating the United Nations"]

[Text] After two months of waiting in Daruvar and Lipik for a signal to leave for Banja Luka, the Canadian battalion of "blue helmets [UN troops]", together with its 3,700 tons of equipment and vehicles, will probably end up in Macedonia. To be more precise, on the Macedonian border with Serbia and Albania, where they should stay for at least two months. After that, they are going to be replaced by some other UN battalion, exactly which should be decided later. The statement of French General Phillipe Morillon, commander of UNPROFOR in Bosnia-Hercegovina, that the plan to send the Canadians to Banja Luka may be abandoned because "the Serbian forces have rejected it," was followed by a visit of Lord Owen to Sarajevo. Although he resolutely insisted that he would not leave until he had achieved success, his talks ended up as a debacle.

Not only did the attacks on Sarajevo continue fiercely, but it also turned out that his meeting with Radovan Karadzic on Pale did not lead to a positive decision on the deployment of the "blue helmets" in Banja Luka. The vanguard of a hundred Canadian and Dutch soldiers, who had arrived in Banja Luka several weeks earlier, had to go back to Lipik. Do the Serbs intend to return the $50,000 that they managed to squeeze out of the United Nations for the expenses incurred in setting up an UNPROFOR [UN Protection Forces] camp, which was, by the way, actually built by a Finnish engineers battalion?

Let us remember something: First, the Bosnian Serbs blackmailed the United Nations by demanding that "the UN should pay the expenses of its soldiers deployed at Sarajevo airport" if they wanted to send new soldiers to Banja Luka. When it turned out to be quite impossible to force "the blue helmets" away from Sarajevo airport, then they ignored the nonpayment of these "expenses," but that was followed by another act of blackmail that succeeded. However, Karadzic, Mladic and company do not have the slightest intention of letting the Canadian soldiers anywhere near Banja Luka. Just as a warning, in addition to sending back the vanguard, 48 Dutch UNPROFOR soldiers have been held hostage in Banja Luka! The Serbs will not let them go unless they exchange them for the same number of their hostages.

With the announcement that one battalion of peacekeeping forces from Croatia will be temporarily sent to the Macedonian border, it is not hard to conclude that the Canadians, who are unwelcome in Banja Luka, are going to be that battalion. In the western section there is no work for them (there are already four battalions, including the Canadian one), and sending soldiers from some other sector, where the situation is far worse than in Macedonia, would be madness. An additional reason for sending the Canadians to Macedonia is that, after the elections in Serbia, new clashes might break out. Prior to these elections, Ferdinand Mayrhofer, deputy director of UN headquarters in Vienna, said that "many things depended on the Serbian elections," while Michael Platzer, chief of the general director's staff at the Vienna UN headquarters, added: "Apart from Macedonia, we are considering the possibility of UN engagement in Kosovo and Sandzak within a short period of time."

No serious or intelligent person would have anything against caution and the preventative engagement of the world organization. On the contrary. However, how much trust does this organization deserve, when at the same time it abandons, albeit temporarily, its planned deployment in Banja Luka, following Serbian blackmail? Perhaps the United Nations are being guided by a logic, at the same time extremely cynical and heartlessly practical that goes like this: After tens of thousands of non-Serbs have been killed, mutilated, or expelled, and after their settlements have been leveled to the ground in Bosanska Posavina and Bosanska Krajina, there is nobody left to withstand the Serbs, so there is no need for any UN soldiers to "intervene between the warring factions." And nobody remains to be protected.

In two months of waiting for the Canadians to move into Bosnia, more than 30,000 Croats and Muslims have been expelled from the area that should have been protected by these UN soldiers. Refugees have been streaming along just 20 kilometers away from the Canadians' camp, as well as through the UN-controlled areas in the western sections. In the past week alone, over 7,000 refugees from Bosnia-Hercegovina have fled by that route. Never have so many people fled in such a short time. Ethnic cleansing is approaching completion, even in Banja Luka. One might even imagine that the United Nations gave that $50,000 to the Serbs thinking—just do not let us go to Banja Luka!

Serb Krajina Elections Scheduled for 28 March

LD0401190093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 4 Jan 93

[Text] Knin, 4 January (TANJUG)—The first parliamentary, multiparty, democratic elections in the Republic of Serbian Krajina [RSK] will be held on 28 March this year. The decision on calling the elections at all levels was made by Krajina Assembly President Mile Paspalj, a TANJUG correspondent in the RSK government in Knin was told today.

In these elections, the Krajina electorate will choose 90 deputies in the RSK Assembly, the president of the republic, and representatives in municipal assemblies. According to a law on elections adopted earlier, the majority election system will be applied. A law on electoral units must also be adopted in the framework of preparations for the elections. This is expected to be done at the next Assembly session scheduled for 25 January.

Government Recognizes Czech, Slovak Republics

AU0401153793 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Jan 93

[Excerpt] As of 1 January, Slovenia recognizes the Czech Republic and Slovak Republic and plans to establish diplomatic relations at the level of embassies with both countries.

The Slovene Government passed this decision at the 22 December government session. Our embassy in Prague has already forwarded appropriate diplomatic messages to both new countries. [passage omitted]

Commentary Analyzes Election Results

93BA0398B Ljubljana DELO in Slovene 12 Dec 92 p 3

[Article by Danilo Slivnik: "Careers With Mistakes"]

[Text] After Sunday's [6 December] elections it would still be best for many (politicians) if they said of the voters: "For they know not what they do..." Specifically, they would thus avoid at least two unpleasant things: they would shift responsibility for the outcome of the elections to the anonymous political masses, which as a rule do not know what they are doing, and are a suitable culprit for everything; and the parties' leaderships would not have to explain their painful preelection mistakes, which came one after another for some of them and led them to great disappointments. Of course, we can also turn the thing around and say that some parties' reactions to the election results proved that many people not only misunderstood the political situation in Slovenia during the long months before the elections, but are also still persisting in their mistaken views and are not even assessing the election results correctly, even though they are thus pushing their parties into a position in which they would only be "their own purpose." One can quickly conclude three important things from any more or less consistent analysis of the elections results: in the first place, that the parties of the so-called political "center" experienced an almost complete defeat; in the second place, that political bipolarism in Slovenia was strengthened rather than weakened; and in the third place, that the new political situation is just as unstable or stable (if anyone prefers that) as it was before the elections.

Before we say anything critical about the defeat of the political "center," however, let us admit the possibility that the politicians of these parties (Social Democratic, Democratic, Socialist, and partly also the Greens Party) supported it out of pure idealism, and that in their involvement they actually saw an opportunity to surmount the increasingly greater bipolarism in Slovene political life, which is undoubtedly harmful. In that case, they clearly acted correctly, they suffered a defeat, and now there is nothing left for them to do but to join the left (or possibly also the right) and thus continue their careers as secretaries (or lower-level officials) in the larger and more successful parties. To the best of our knowledge, however, none of them was active in politics out of idealism, but rather because of a struggle for power, in which, in addition to a sense of political "mission," it is also necessary to take into account the real situation and adapt to it at least enough that it does not become too great an obstacle. In that respect, the Social Democrats and Democrats certainly positioned themselves incorrectly back in the spring, when Demos collapsed, and then continued to persist in their mistakes. In fact, it is necessary to ask whether it is even possible to position oneself in political life by establishing a party with a certain name with a strong ideological slant (for instance, Social Democratic or Democratic), formulate a program that is only halfway appropriate for the goals announced, and direct one's activity toward a milieu in which the political competition is greatest. In other words, it is necessary to think about what it was, for example, that should have brought the Social Democratic Party votes on the left, and the qualities that even made Janez Jansa and Joze Pucnik Social Democrats. Or, for instance, who are the Democrats, and what did Igor Bavcar and Dimitrij Rupel do that they could expect enthusiastic support from people who never heard of Chivas Regal with a blue label (Scotch), who are struggling with basic problems of subsistence, and who are leaning toward the left, where the Democratic Party immediately headed when it became involved in a conflict with the Christian Democrats? And, finally, should Jansa and Pucnik possibly be Social Democrats just because the two of them say so and because they wear dark red ties, or should Bavcar and Rupel be people with a sense for the "left" just because they usually do not shout at their chauffeurs and they greet the doormen at ministries?

It is true, to be sure, that for many reasons all of them could have been rewarded for their state-building actions anywhere, but politics has certain laws and the fact is that during the past year they positioned their parties too far to the left, and Jansa, Pucnik, Bavcar, Rupel, etc., thus lost the elections primarily as leftists and not as state-builders, instead of remaining more to the right, where there was considerably more room. The election results, in fact, showed that there was a considerably party vacuum on the right, which both the Social Democrats and the Democrats could have filled without any great ideological prejudices whatsoever, since in the relatively strong right-wing bloc the Christian Democrats actually received few votes, the angriest voters voted for the Slovene National Party, and many people were forced to vote for Podobnik's Peasants' Party simply out of "hopelessness," since there was no other moderate and (primarily) secular right-wing option. Consequently, assessments about what actually even happened in Slovene political life and which political path, for example, was strengthened by the elections and which was weakened are also quite risky.

Things were not very clear on the left, either, and it is essentially even impossible to say with certainty what kind of politic.. slant gave the Liberal Democrats and

the United List the shares of the votes that they received. In fact, we can look at it all from both points of view (leftist and centrist), and see that in many cases the voters voted for both parties in a "package" and that the majority ranked the LDS [Liberal Democratic Party] among the leftist parties (which the Liberal Democrats essentially are), and that those who are already talking about unification of the left have to take this into account. On the other hand, it is also true that the Reformers are not essentially any further to the left than the Liberal Democrats and that the former are at least as "centrist" as the latter, and that the elections brought a fairly homogeneous left wing, which will also act that way in parliament. This will also be very important in forming new coalitions, about which not much is known yet for the time being, and which will certainly not be discussed as Joze Pucnik did on television on Tuesday, when he summed up his party's electoral catastrophe in a few contradictory words: "It was certainly not that bad," obviously under the influence of a realization that at the end of the counting at least four members of his party obtained jobs....

That does not change anything, however, since forming coalitions is a job that the leaders of Slovene political parties have certainly mastered least. The art of this action, in fact, does not lie only in joining a certain group of parties at the right time, but also in "staying out." Not one party has known how to do so during the past two years, since all of them only cared about dividing up ministerial positions. The Democrats, who had an opportunity on some occasions to point out how persuasive their policy was in that way, actually wasted most of their opportunities in this regard. Some parties, however, are once again irresistibly attracted by the "25 Gregorciceva syndrome," even though it is clear that over the next two or three years, which is how long it will be until the next parliamentary elections, it will be very difficult to rule because of the extremely complicated economic situation, and that the big question is whether it will pay all the parties to participate in the ruling coalition. This business, in fact, is exactly the opposite of how it appears: Janez Drnovsek is the one who is in difficulties as prime minister-designate, and who will have to think very hard about who will join him in a coalition, so that two years from now his party will not be the only one (of the larger ones) to bear political responsibility for the situation that has arisen, and not those who would like to join him. It will therefore not be any surprise if the negotiations go on for a long time yet, and if everyone will have to be extremely pragmatic in them, even those who allegedly think (and Milan Kucan is reportedly one of them) that the left won, and that the leftist parties must therefore be immediately purged of "right-wingers...."

Drnovsek Attempts To Form Coalition

93BA0403B Ljubljana DELO in Slovene 17 Dec 92 p 1

[Article by Marko Jakopec: "Janez Drnovsek Is Advocating a Coalition of the Big Three"]

[Text] *In a talk with journalists, he said that the Christian Democrats had reservations about cooperation with the United List; no price increases before the new government.*

Ljubljana, 16 Dec—"I have asked the presidents of the Slovene Christian Democrats, the United List parties, the Democrats, the Social Democrats, and the Greens, i.e., the parties that are prepared to cooperate in forming a future government coalition and have similar programs, to state their positions on possible coalition alliances by Friday," Prime Minister and president of the Liberal Democrats Dr. Janez Drnovsek said today. He said that after his talks to date with the party presidents real possibilities were being opened up for forming a so-called big coalition, i.e., an alliance of the Liberal Democrats, the Christian Democrats, and the United List.

Drnovsek noted that such a coalition would be very acceptable to him personally and also to the leadership of the LDS [Liberal Democratic Party], since it would ensure stable support in the State Assembly, and would also have all the possibilities for carrying out the tasks that have accumulated. He added that in the talks to date he had witnessed mutual rejection; above all, the Christian Democrats had reservations about cooperation with the United List, and the same thing was also happening elsewhere. As he emphasized, the Liberal Democrats do not have such reservations.

He added that the LDS was prepared to cooperate with any party, and that if any of the parties did not want to cooperate in a coalition, the LDS would obviously continue talks with the others. Drnovsek thought that old criticisms and ideological prejudices should not be decisive, since they would necessarily have to be subordinated to Slovene national interests. He also mentioned the possibility that the Christian Democrats would not be interested at all in cooperating with the United List in the government, and said that in that case they would obviously have to bear responsibility for putting their party interests ahead of national interests.

With respect to the Slovene People's Party, he said that so far its leaders, in their public statements, had not shown too much interest in cooperation in the government, and furthermore, during the past period the party's leadership had been behaving quite frivolously, and that ruled that party out as a serious coalition partner. He also mentioned the smaller parliamentary parties, and said that most of them were showing interest in cooperation in the future government. He asserted that there was no time for really long consultation and negotiation, and consequently he expected the parties' responses by this Friday. This would allow him to form a government coalition even before the first meeting of the State Assembly, which is planned for 23 December. Any kind of delay would cause political instability, which would also have consequences in other areas. The prime minister also said that the LDS was insisting on a smaller government than the present one, and it would

be composed of at most 15 ministers; it intended to submit a (government) proposed law on the government to the deputies very soon.

Dr. Drnovsek also said that on the basis of the election results, he saw himself as the most serious candidate for prime minister-designate of the future government. He thought that the possibilities for a coalition that would not include the Liberal Democrats were very slight and merely theoretical.

At today's press conference the prime minister also spoke about the activity of the current government until the election of a new one. He emphasized that there would not be any price increases during this period. He denied all the predictions about chain-reaction price increases, and the criticisms that the Liberal Democratic government was holding back the price increases just because of the elections. He added that during the transitional period, and probably also after it, the government would continue its current policy, which means that there would not be any concessions anywhere.

Drnovsek also said that as early as tomorrow's meeting, he would propose to the government that it freeze any new hiring in all government sectors, primarily so that jobs would not be secured anywhere at the expense of the budget. He added that he intended to increase the accountability of all the ministers further, and that he would immediately inform the public about any inefficiency. He also spoke about the preparations for next year, and said that they were preparing for considerable tightening in fiscal policy, primarily in all government services and in those parts of the public sector in which the government has direct influence. He announced the imminent beginning of the financial rehabilitation of banks and implementation of the law on the ownership transformation and restructuring of enterprises.

Four Parties Ready To Form 'Grand Coalition'

93BA0422D Ljubljana DNEVNIK in Slovene 19 Dec 92 p 4

[Article by Roza Erman and Meta Roglic: "The Invited Parties Have Answered"]

[Text] *The ZL [United List], the DS [Democratic Party], the SDSS [Social Democratic Party of Slovenia], and the ZS [Greens of Slovenia] are prepared to participate in a grand coalition, but the SKD [Slovene Christian Democrats] is rejecting that possibility; by 23 December it should be clear who will be in power and who will be in the opposition.*

Ljubljana, 19 Dec—Yesterday the three-deadline expired within which the invited parties (the SKD, ZL, DS, SDSS, and ZS) were to report their positions on a possible coalition to Dr. Janez Drnovsek. As we have learned, all of the above-mentioned parties have done so.

As we were told by Edvard Stanic, the SKD's chief secretary, the SKD sent Dr. Janez Drnovsek the decisions from the Wednesday meeting of the party's council, and wrote in the letter that they were prepared for talks as soon as possible about individual program elements. The SKD council also decided (among other things) on Wednesday that the party would participate in talks on putting together the government, but its concept of its participation in a right-of-center government is that it will participate together with the Slovene People's Party. It does not support the idea of a so-called grand coalition (the LDS [Liberal Democratic Party], the SKD, and the ZL), and therefore does not intend to participate in it.

The ZL parties are prepared for agreements on possible coalition alliances with the parties mentioned in Dr. Drnovsek's proposal, as they stated in a letter to Dr. Drnovsek after yesterday's agreement. The ZL expects that it will have a share of votes in the coalition in proportion to the elections, but it is also not ruling out the possibility of remaining in the opposition. In its opinion, a left-of-center coalition of the parties that have already supported the government to date has the best chances for success. Whatever the coalition of parties will be like, it expects a firm prior agreement that will also include in particular the program priorities for government policy. Among the most important program orientations, the ZL listed its interest in creating new jobs, promoting the economic rights of workers, people's social security, and regionalism. It is also apparent from these priorities what kind of ministries it will fight for, but it is not yet talking about them specifically.

Bozo Flajsman, the Greens' general secretary, told us that the party's leadership and the Greens' new deputies' club met on Thursday. They agreed that the deputies would act jointly, and that they would therefore adhere to what is agreed upon in the club. In the letter that party president Dr. Dusan Plut sent to Dr. Janez Drnovsek, they also announced that they were prepared to talk about participating in a government coalition, but they also set several conditions. The party's priority interest is thus the Ministry of Environmental Protection (according to Flajsman, they have otherwise not talked yet about whether they will want the minister to be from their own ranks or whether it could be the deputy), and they would also like to keep their present ministries (science and health care). Let us also list several program demands. One of them is improving the quality of the Sava by one quality category before the Vrhovo hydroelectic plant begins operation, and there is also scheduling a referendum on an early closure of the Krsko nuclear power plant during the first half of 1993, accelerated financial rehabilitation of Slovene thermoelectric power plants, changing the rate system, supporting bioagriculture through special-purpose funds to promote it, passing a law on environmental protection.... At the end of the letter Dr. Dusan Plut asked Dr. Drnovsek to inform him as soon as possible what his opinion was on these conditions, and he also warned the LDS president about

friction within the party, which would make the situation somewhat more difficult in forming a coalition.

The Democrats are also prepared to cooperate in the parliamentary parties' talks on putting together a government on the basis of a program that will be in Slovenia's interest. According to Tone Persak, they expect that they will receive even more detailed explanations, both of the starting points for the program, and of whether the LDS had adopted Drnovsek's proposal for talks with the Democrats. In response to a question about whether they were consequently prepared to cooperate both in a grand coalition and in a smaller right-wing or smaller left-wing one, Tone Persak answered that they "are not prepared a priori to participate in any of them or to reject any of them." Upon our commenting about their unwilingness to cooperate with Peterle's Christian Democrats, which was emphasized so frequently before the elections, he retorted that all sorts of things were said before the elections, and many statements were also reactions to other statements, for example Peterle's, which he made abroad. "Today it is necessary to think above all about what will happen to this country." In response to a question about whether the party was already talking about which ministerial seats its people should occupy, Tone Persak answered that the only body that would decide about this had not yet talked about any specific names.

Dr. Joze Pucnik stated yesterday that the Social Democrats said in their response to Dr. Drnovsek that they were interested in the talks that he had offered, and that they were waiting for more specific offers. He firmly denied that the SDSS would engage in blackmail by entering a coalition only on the condition that Janez Jansa would keep the position of defense minister.

Unfortunately, LDS President Dr. Janez Drnovsek did not want to make any statements yesterday about the future coalition. Gregor Golobic, the LDS's general secretary, however, said that the picture of other parties' willingness to form coalitions was now clearer: The ZL prefers a left-of-center option, but it is not ruling out a grand coalition; the Social Democrats and the Democrats are prepared to cooperate both in a grand coalition and a small one; and the Greens set several conditions which are now being studied. The only ones that came forward with positions ruling it out are the Christian Democrats. In the coming days the LDS will verify whether that position of theirs is final, and if the answer is affirmative, that obviously "puts the SKD in a different role." Golobic also added that by 23 December they expected to have at least "a crudely defined party distribution," which is also necessary for electing the leadership of the State Assembly.

Drnovsek Sends Coalition Agreement to Parties

AU0401155093 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 4 Jan 93

[Text] Dr. Janez Drnovsek, president of the Liberal Democratic Party, today sent a draft coalition agreement to the Slovene Christian Democrats, United List, Democratic Party, Greens of Slovenia, and Social Democratic Party.

The Liberal Democratic Party will sign a coalition agreement with the above-mentioned parties once their total number of seats in the State Chamber reaches the necessary majority.

In a special message by the Liberal Democratic Party, Dr. Janez Drnovsek believes that the procedures regarding the election of a prime minister-designate and formation of a new cabinet should be accelerated so that the State Chamber can appoint a prime minister-designate and adopt the new law on the government in the shortest amount of time. On the basis of this, the prime minister-designate would then be able to propose a new cabinet immediately.

Left Wing Parties Dominate State Council

93BA0399A Ljubljana DELO in Slovene 14 Dec 92 p 2

[Article by Vinko Vasle: "The State Council Moved Further to the Left Than Expected"]

[Excerpts] *There is only one woman among the deputies in the State Council, and the representatives of one trade union (the ZSSS [Federation of Free Trade Unions of Slovenia]); some of the best known and main opposition politicians were not elected to it.*

Ljubljana, 13 Dec—After the Slovene parties hurled themselves with all their might into the election campaign for the State Assembly, they obviously underestimated the role of the other parliamentary body, the State Council, for too long. It is already clear from the information so far that this parliamentary body has moved considerably further to the left than expected, and that the opposition parties' coordinating group, with some of its most famous names, did not get into it.

The fact that only one woman will be sitting in the State Council among the 40 councilors is nothing special. It is Majda Slajmer-Japelj, who will represent the health service. It is interesting that her rival candidates, all prominent doctors, were not able to defeat Japelj, who is a high-level nurse. This seems a little beneath the dignity of the medical profession, and consequently some people are already claiming that Japelj will obviously not be able to represent them in the State Council... [passage omitted].

It is more than obvious that the current opposition completely failed in the elections for the State Council, since it only received five councilor seats in the State Council, even though 24 opposition party candidates were competing in the elections for the 22 seats. The most successful of them was the People's Party, which received three seats in the State Council, while the Christian Democrats received two seats and the National Democrats received one. This is a consequence of the quarrels and disagreements within the opposition

parties' coordinating group, where the Christian Democrats and the People's Party in particular were not able to agree for a long time on how many candidacies belonged to which of the two parties. Since the agreement between the two parties was not very good, People's Party and Christian Democrat candidates were competing in at least two electoral districts. Each of the coalition parties nominated its own candidates, and the other partner parties only supported the latter by not competing in the electoral districts. Even those candidates, however, which were jointly supported by the coalition parties are the candidates of their parent party, i.e., the party of which they are members, after their election. That "formula" was supposed to prevent prejudicing post-election coalitions in any way.

At any rate, Drnovsek's ruling coalition, whatever it will be like, will not have any particular opponents among the State Councilors, but rather allies. Unfortunately, this means that the State Council will not perform the role that it is supposed to have very well, since by definition it is supposed to be the second parliamentary assembly that would nevertheless be able to control the work of the State Assembly, or at least make life quite difficult for it. Specifically, the State Council can demand the scheduling of a referendum, which the State Assembly is obliged to schedule in that case. The State Council's strongest weapon, however, is its suspensive veto, by which the State Council, within a period of seven days, can temporarily nullify any law that has been passed by the State Assembly. The latter has to debate the law again and decide, and the law is only passed if a majority of all the deputies in the State Council vote for it. Consequently, if the State Council had an opposition majority, it would succeed in considerably blocking the work of the State Assembly, which is not likely with its present composition.

In the second, elector part of the indirect elections, the Chamber of Commerce, with all four candidates, ousted the Slovene Chamber of Trades and Entrepreneurs out of the Council, and the Federation of Free Trade Unions received three councilors, which means that that trade union (in addition to the candidate from the trade union for education and science) will be the only one representing employees' interests in the State Council. In view of the number of trade unions in Slovenia, this, of course, is a blow to trade union pluralism and a consequence of the electoral formula that the number of electors is determined by the number of members in individual trade unions, and thus the Free Trade Unions received the most electors. For that reason, we can expect more conflicts among trade unions on the Slovene trade union scene.

To be sure, it already appears that the State Council is a sort of substitute for two previous parliamentary chambers—the Chamber of Municipalities and the Chamber of Associated Labor—and that also, because of the method of the elections, it cannot represent a real democratic lower chamber of parliament.

Green Party: New Name, New Platform

93BA0422A Ljubljana DELO in Slovene 17 Dec 92 p 2

[Article by Marko Jakopec: "New Name, New Direction"]

[Text] *The Greens of Slovenia have prepared new starting points for the party's political platform; a modern, ecologically conceived liberal party that is left of center.*

Ljubljana, 16 Dec—"The relatively unsuccessful election result has finally swept away the illusions that the Greens of Slovenia can continue to maintain political pluralism within themselves and at the same time remain in Slovene political life as a reliable and serious political partner," said Greens President Dr. Dusan Plut at today's press conference. He said that the members of the party's leadership, Dr. Peter Tancig, Dr. Bozo Voljc, Peter Jamnikar, Bozidar Flajsman, M. A. Mitja Bricelj, and he had therefore prepared new starting points for the party's political platform, which should transform the Greens into an ecologically conceived left-of-center liberal party with some social democratic elements.

Dr. Dusan Plut explained that the party's members were actually faced with only two dilemmas: whether to continue to act in the same way as in the past, and thus exist as an unreliable coalition partner without clear political orientations, or finally to give up acting as some sort of movement, clearly situate itself politically, adopt a clear and detailed program, and participate equally in Slovene political life.

Plut emphasized that only the second possibility existed for the signatories of the party's new program starting points, since insisting on the first one would finally erase the Greens of Slovenia from Slovene party politics. He added that in the program's starting points, the signatories had included above all comprehensive environmental protection, a natural ecosocial economic development, social liberalism, and a European social democratic plan for the functioning of the state. In the future the Greens of Slovenia are therefore to act as a modern ecological, liberal party with a left-of-center orientation, and the members of the leadership are proposing that they should also change their name; specifically, they would now be called the Greens of Slovenia-Eco-Social Party.

Dr. Peter Tancig said that ever since their emergence the Greens of Slovenia had faced serious internal dissension, which was so intense that it was seriously jeopardizing achievement of the party's fundamental, primarily ecological, goals. He emphasized that they had been brought to the surface by recent events, including the fact that Vane Gosnik and Dr. Hubert Pozarnik, in spite of the position stated by the party leadership that the Greens would not publicly support any of the party presidential candidates, had supported in writing SKD [Slovene Christian Democrats] candidate Ivo Bizjak. Tancig noted that this was not the first case of completely unambiguous violation of the agreed-upon positions of

the party's leadership, and added that this happened all the time, and consequently all the voting by members of the Greens in parliament was a real lottery.

Dr. Plut also spoke about possible coalitions for putting together the new Slovene government, and said that the Greens did not refuse in advance to talk with anyone, but that in the talks to date, because of their election failure, they did not have and could not have a decisive role. He personally supported a coalition of the big three, although he did not believe in it too much.

'Disagreements' Cause Plut of Greens To Resign

93BA0398A Ljubljana DELO in Slovene 12 Dec 92 p 1

[Article by Vinko Vasle: "Dusan Plut Is No Longer Chairman of the Greens"]

[Text] *At Thursday's [10 December] closed meeting of the party's council, he irrevocably resigned; is Vane Gosnik chiefly to blame for the disputes?*

Ljubljana, 11 Dec—At yesterday's closed meeting of the Greens Party council, its chairman, Dr. Dusan Plut, irrevocably resigned. As we have learned, he is to continue to perform his duties in an acting capacity until the party's assembly in the first half of January. It is a consequence of the long-standing frictions and disagreements in the party, which made a number of political mistakes after the 1990 elections, and in particular, increasingly bigger differences of opinion have been evident between the party's leadership and its Ljubljana section, on one hand, and the regional organizations on the other.

There is also a sort of stalemate prevailing in the Greens' ranks after yesterday's closed meeting of the council, demonstrating that the party is badly disappointed with the outcome of the elections—not just because of the modest percentage of votes that the Greens received in comparison with the 1990 elections, but also because the deputies elected to the State Assembly are ones with whom the party's leadership is mostly unfamiliar. Two of them are supposed to have already declared themselves to have a right-wing orientation.

One of the chief culprits behind the situation in the party, in the opinion of part of the Greens' leadership, is Vane Gosnik, whom several people again asked to resign yesterday. Plut and Tancig especially insisted on this; the latter also firmly urged that the Greens nevertheless decide to join the ruling coalition, because he obviously thinks that he could thus keep his ministerial position in the government. After Dusan Plut had already changed his mind several times about whether the Greens would join the ruling coalition again, he proposed yesterday that they should remain in the opposition. The council finally decided that the Greens should nevertheless continue to discuss joining the coalition. Peter Tancig wanted the council to adopt a decision that all the regional committees should be sent a letter, and the committees would then state whether they advised Vane Gosnik to resign as vice chairman of the party or not. The members of the council did not approve this decision, because they left the meeting.

IMF Membership, Share of SFRY Debt Viewed

93BA0403C Ljubljana DELO in Slovene 17 Dec 92 p 3

[Article by Miha Jenko: "The Division of the Yugoslav Debt According to the IMF's Model Is Favorable to Slovenia"]

[Text] *The former Yugoslav republics have to announce within a month whether they agree with the Fund's method of division; the Slovene share of the debt in the IMF would be 16.39 percent, and would amount to about $35 million.*

Ljubljana, 16 Dec—Slovenia will join the IMF in accordance with the principle of partial succession to membership, which is by far the most favorable for our country, since in that way it will join international financial organizations most quickly. Partial succession, in fact, means that each successor state of the former Yugoslavia can independently join the IMF. In doing so it does not have to wait for others, as provided by the alternative of general succession, which remained quite possible up until Monday. The third, more time-consuming, and now already obsolete possibility was that the Federal Republic of Yugoslavia [FRY] would keep its seat in the Fund, and Slovenia would join the IMF as a completely new state with a new specified quota.

Admission in accordance with the principle of membership succession is thus also consistent with the IMF's decision that the FRY's membership was ending, and it thus also took into consideration the opinion of the Badinter arbitration commission and the UN's position in connection with the FRY's membership. At the same time, membership in the IMF is also a condition for our country's joining the International Bank for Reconstruction and Development. It is now up to the Slovene Government, specifically the Finance Ministry, which has to provide the official Slovene position to the IMF within one month and say whether we agree with our share in the division of the former SFRY's property and obligations in the IMF. As we were told by the finance minister's adviser Andrej Klemencic, the government, possibly at its very next meeting, may discuss the proposal to accept the allocated quota, the property, and the obligations in the IMF. He said that what the proposal now contains is what Slovenia already proposed a long time ago in contacts with IMF representatives, and he thus described the solution as the simplest and fairest for all concerned.

Slovenia should ratify the IMF statute by law within the next six months. During that period, it should also decide to contribute the foreign exchange share of the quota that the former SFRY already accepted but has not yet paid (about 12.9 SDR [Special Drawing Rights]; 1 SDR is about $1.30).

A delegation from the Bank of Slovenia also reached agreement last week on apportioning the quotas of the successors to the former SFRY at the headquarters of the Bank for International Settlements [BIS] in Basle. In contrast to the IMF and the World Bank, where the successors to the former SFRY will divide its property and obligations, only property is being divided at the BIS, so that it would benefit anyone to have the highest quota there. On the other hand, the issue of the Yugoslav succession in international finances requires above all a division of obligations, i.e., debts, and consequently the lowest quota or share in dividing up property and obligations is more favorable to Slovenia. According to the governor, the quota also affects the share of votes in individual financial organizations, but we have to take our small size into account: Even if we received, for instance, 50 percent of the former Yugoslav share and thus voting rights, our voting position in these organizations would not substantially improve. "The BIS says that we could also use the same division formula that is to apply to the IMF and the World Bank for it as well, if the successors to the former Yugoslavia agreed to this. That institution expect that the latter will submit to it their acceptance by consensus of the proposal for dividing up the former Yugoslav share."

In the IMF's opinion, the shares of the former SFRY's property and obligations in the IMF should be divided among the individual successors as follows: Bosnia-Hercegovina 13.2 percent, Croatia 28.49, Macedonia 5.4, Slovenia 16.39, and the FRY (Serbia and Montenegro) 36.52 percent. The IMF is to receive an answer within one month as to whether these states agree with that method. With membership (after each successor meets the conditions set; among other things, the IMF will pay particular attention to UN factors and the effects of the UN sanctions), each member would gain a specific share of the current "Yugoslav quota"; as calculated in the eighth general review, Bosnia-Hercegovina should get 7.6 million SDR, Croatia 180.1 million, Macedonia 33.5 million, Slovenia 99 million, and the FRY (Serbia and Montenegro) 223.5 SDR. This would apportion the former Yugoslavia's entire quota, which amounted to 613 million after the eighth adjustment, and would reach 918.3 million SDR after the upcoming ninth review (the quotas of the new members would also depend on this, in accordance with their percentage shares).

The former SFRY owed the IMF 155.59 million SDR, or $216.76 million. The Slovene share of the IMF debt would therefore be 16.39 percent, i.e., it would amount to about $25 million.

In the opinion of New York bankers, the IMF model will also serve as guidance for foreign (especially European) governments and banks, to which the former SFRY owed about $15 billion.

In addition to repayment of the debt to the so-called Paris Club, the debt that the former SFRY owed to the World Bank is still left. According to the latest data, the SFRY owed $2.1 billion. As we were able to learn unofficially, the distribution of the individual successors' shares in this debt is as follows: Croatia is to owe $155.9 million or 7.6 percent, Slovenia $160.59 million or 7.8 percent, Bosnia-Hercegovina $439.24 million (21.4 percent), Macedonia $153.98 million (7.5 percent), and the FRY (Serbia and Montenegro) $1.142 billion (55.7 percent). Of course, these data and divisions come from the times before the IMF's decision on apportioning the property and obligations.

The SFRY owed the U.S. Export-Import Bank (the Exim Bank) $795 million. As we have heard, that bank, in all likelihood, will follow the IMF model in determining the shares.

The IMF's decision finally opens the way for Slovenia to join it and thus also the World Bank and other international monetary institutions. In accordance with its efforts, our state is to become an IMF member at the end of January or the beginning of February. The procedure for the admission of the individual successors, for instance Slovenia, is to take place independently and without any hindrance even in the event that one of the other former SFRY republics did not agree to the division model and the other conditions set by the IMF. According to the NEW YORK TIMES, the FRY (Serbia and Montenegro) will not have the right to use their SDR quota as long as the UN Security Council's sanctions against Belgrade are in effect.

[Box, p 3]

The foreign debt of the states on the territory of the former Yugoslavia amounted to about $15 billion at the end of 1991, according to data from the NBJ [National Bank of Yugoslavia]. About $12 billion of this was the so-called allocated debt that belonged to individual former federal units: $3.2 billion of it belonged to Serbia, $2.7 billion to Croatia, $1.8 billion to Slovenia, $1.5 billion to Bosnia-Hercegovina, $700 million each to Kosovo and Macedonia, and $600 million to Montenegro. That debt has known debtors, and the IMF's latest decision does not have anything to do with it. In response to our question about the chances that Slovenia, in accordance with the IMF's division formula, would also assume 16.39 percent of the total unallocated debts of the former SFRY—the debts without known debtors, which according to the latest estimates amount to about $3.1 billion—Slovenia, according to the formula that applies to the IMF, would (hypothetically) assume a full half million dollars of this debt, but Andrej Klemencic told us that a final decision on this has not yet been made. According to him the government, in its recently presented strategy, decided that the division of the property and obligations at the IMF could represent a starting point for talks with other foreign institutional and private creditors. A final position on this has not yet been adopted, however.

Arms Dealers Try To Buy Kalashnikovs in Bavaria

AU0401175793 Hamburg DER SPIEGEL in German 4 Jan 93 p 91

[Unattributed report: "Slovenia's Arms Trade"]

[Text] The small alpine state of Slovenia wants to set up one of the best-equipped armies in Central Europe. Janez Jansa, defense minister of this former Yugoslav republic, is buying weapons all over the world: in Greece, the CIS, the Middle East, and—not least—in Germany. Various arms dealers have been discovered in the Bavarian city of Landshut trying to supply military equipment to the Slovenes, including 100,000 Kalashnikovs and the necessary ammunition. Further plans provided for the acquisition of helicopter gunships and fighter bombers. Jansa, who, as a journalist in the eighties, called for a demilitarization of the Balkans, and went to prison for recommending opposition to compulsory military service and for allegedly betraying secrets, believes that there will be another war between Croatia and Serbia and that it might spread to Slovenia. That is why the former committed pacifist has now called for a comprehensive buildup of arms in his young state. According to Jansa, however, the arms involved in the abortive Landshut deal were not intended for use in Slovenia, but were to be sold to the Muslims and Croats in Bosnia as "fraternal aid."

Arms Smugglers Apprehended at Italian Border

93BA0422C Ljubljana DNEVNIK in Slovene 18 Dec 92 p 17

[Article by (jal): "Arsenal in a Fiat Ritmo Automobile"]

[Text] *On the basis of information from the VIS [Security-Information Service], weapons intended for Italy ended up in the hands of the Nova Gorica police; during an inspection, the police also discovered antitank missiles in an automobile with an Udine registration.*

Nova Goriza, 18 Dec—A few days ago (15 December), a Nova Goriza traffic police patrol checking traffic at 0740 along the Ajdovscina-Nova Goriza road, in the village of Vitovlje, stopped (on the basis of information from the VIS—author's note) a Fiat Ritmo passenger car with an Udine registration. In addition to the driver, B.G., three more Slovene citizens, J.B., A.S., and F.H., all from the Kocevje area, were in the car. During an inspection, the police discovered two Zolya antitank missiles of Russian manufacture. Officials from the detective department of the Nova Goriza UNZ [Internal Affairs Administration] immediately took the case into their own hands.

After talks with the detectives, things quickly became clear. The Slovene citizens soon confessed that in a certain parking space in Nova Goriza they also had one more passenger car, which they brought to Nova Goriza on 14 December, and that they had even more weapons in it. A search revealed that there was a real warehouse in the trunk of the people from Kocevje: two Spaginj machine guns with two clips, a Thomson machine gun with two clips, four Scorpion automatic pistols with seven clips, and two Pleter 91 machine guns with six clips and a silencer. The car also contained an additional 184 rounds for the above-mentioned weapons.

According to the statements from the Slovene citizens who were arrested—the Italian is so far defending himself by keeping silent—the weapons were intended for Italy. It seems that they bought them in the former Yugoslavia where the war is going on. Some of the weapons are used, and some are completely new. All of those arrested were turned over to an investigating judge on criminal charges, and he has ordered detention for them. According to Inspector Ipavec of the Nova Goriza UNZ, this was the largest discovery of weapons in Goriza to date.

Federal

Panic Expresses Views on Elections

AU0401122993 Belgrade NIN in Serbo-Croatian 25 Dec 92 pp 20-21

[Interview with Prime Minister Milan Panic by Dusan Velickovic in Belgrade on 22 December: "I Will Be a Democratic Force"]

[Text] Tuesday, 22 December—Reports of a likely Panic defeat in the elections and of their doubtful correctness, have been arriving an the same time, while the atmosphere in the prime minister's cabinet has been very hectic. A man from the security force, obviously an experienced one, says: "It is always like that when a new round is coming." Somebody quietly tells a joke that John Major has brought a Christmas turkey to British soldiers, "after which an intervention starts." The time that Milan Panic reserved for Velickovic has been diminishing, and eventually almost vanishes, squeezed between the CNN interview, and a meeting with Army Chief of Staff Zivota Panic. Visibly exhausted after,"a sleepless night, which has been full of bad news from the world," Milan Panic says: "If Milosevic stays, if something is not changed, I think we are going to have a tragedy in this country. We are being threatened by a total quarantine. I am constantly fighting it, but the world wants to isolate us. I am not talking like this because I think I am losing. The situation is really so dramatic that this is probably one of the worst moments in our history. I am an optimist, but when even I am saying that, it means that the situation is very serious. Just look at the reactions of the world. The problem is that the system has remained unchanged. The international community wants changes not because it hates somebody, but because it fears for itself. It is afraid of being dragged into a Balkan war. That is the reason for their engagement, not hate or love toward the Serbs or Muslims.

[Velickovic] How do you analyze the temporary, unofficial results of the elections?

[Panic] We still do not have the real results, and it is a bit too early to discuss it. However, the elections are irregular. They should be annulled. There have been hundreds of illegal actions, and this is going to induce foreign observers to claim the elections were irregular. All the polls conducted by the best international experts say that the majority is against Milosevic, regardless of his possible successor, and that is also an important point.

[Velickovic] What do you actually have in mind?

[Panic] I am mostly referring to the television. Such a campaign has been labeled in the world as uncivilized. It is a shame to call me a traitor. Now, when everything is over, one can see who has betrayed the Serbian people. I think that such people lack something that can prevent them from doing this. Something is not all right, and as Shakespeare would put it, "something is rotten in the state of Denmark." Our system has not still reached a proper degree of evolution and democracy; our way of behavior cannot be found in the world any more.

[Velickovic] Our particular mentality has been often discussed....

[Panic] Mentality, indeed! Every nation has its particular mentality, but they do not use the sort of language that we do. Just look at the way they attacked me in the parliament, and not only me, but one another; they even attacked President Cosic.

[Velickovic] The question that can be often heard these days among your supporters and your opponents, reads: "What is going to happen with Milan Panic?"

[Panic] I am not going to cease political activity as long as democratization is being dodged, that is to say, until Mr. Milosevic [Serbian president] resigns. I am determined to stay on the political stage, whether they like it or not. The people want me. Look at the number of Serbs who are behind me, even if we take into consideration these improper results, even with such a campaign going on.

[Velickovic] If you are going to stay, what kind of political strategy will you employ?

[Panic] I am going to be a democratic force in this country. I am conceiving a democratic movement. Until now, such a movement has seemed to be possible only within an oppositional coalition, but I think that some more maturity is needed for it and more profundity and understanding. A platform is needed. The political life in Yugoslavia needs to be developed, and I will probably spend a great deal of my time on this.

[Velickovic] Your words seem to be a serious criticism of the opposition parties.

[Panic] I tried in every way I could to unite them. Not because I agreed with all their policies or all their moves, but because I thought that their alternative was better than the old system.

[Velickovic] The fact that a part of the opposition hesitated to support you, probably because of their own calculations, is understandable, but what bothers your supporters is an insufficient world support.

[Panic] The world was at first silent, and then late. There are even opinions in the world that I have "prolonged" Milosevic's "life" for six months. I am almost being blamed for that. However, the reasons for such attitudes can be found in a local political existence. When the Western politicians spoke of their steadiness and severity, as did Kinkel, for instance, they did it because of a local political circumstances. I read their messages between the lines: "We support you, we will help you, but we have to show that we are angry, that we are against the war, that we are for the human rights." As if I were for the war, and against human rights?!

[Velickovic] Many people think that Cosic's support has not been clear and categorical enough.

[Panic] He expressed his support twice in the Assembly. He has praised my policy; he knows my value and that my credibility in the world is great. However, he has his own style. On one occasion, he said that he supported me, after which I called him and told him about the opinions similar to your question. He was almost mad at me: "I said that I supported you, and when I say that I support my prime minister, then it means you, and not Bozovic [Serbian prime minister]."

[Velickovic] If you, as you have said, stay, and are not elected president of Serbia, does it mean that you will remain the prime minister? What will you do in the Assembly, with the opposition being probably stronger than before?

[Panic] I think it is going to be stronger. Of course, the most important issue is the economic support that the Socialist Party enjoys. I am going to demand its dispossession of the whole property of the Communist Party, and to return it to the people and the state. The communists stole it from the people. That property belongs to the Serbian people. Everything they were taking from the people over the years should be given back. Then they can run in the elections but without an entire organization that has remained from the communist regime.

Sanctions Effect on Weapons System Repairs

93BA0404A Belgrade VOJSKA in Serbo-Croatian 17 Dec 92 pp 18-19

[Article by S. Randjelovic: "A Solution That Saved the Day"]

[Text] In the equipment repair plant in Cacak, the only one left after the secessionist republics left the former Yugoslavia, they repair more than 400 different combat systems, guns, weapons, and equipment, electronic and optical devices, and other equipment of the Army of Yugoslavia [VJ]. That fact and the involvement of units in combat operations have had the effect of an enormous increase in the number of pieces of equipment waiting for the skilled craftsmen in the plant to "prolong their life." The sanctions of the international community based on the decision of the UN Security Council only made more difficult the already complicated process of repairing equipment, which under these conditions is the solution that saved the day for maintaining the combat-readiness of the armed forces of the Federal Republic of Yugoslavia [FRY].

We talked to Colonel Mladomir Petrovic, the plant's director, who has a degree in mechanical engineering, about the tasks and place of the equipment repair plant in the transformation of the VJ and about the problems of major overhaul and overcoming them.

The Second Life for Weapons

Organization of the work process in the plant has been adapted to the increased need for repairing diverse equipment. In one of the production sectors, they repair machines, in another one—communications devices, electronic, power, and optical equipment, and power sources, while a third sector is responsible for making and rebuilding the parts and armor plate necessary for normal operation of the first two sectors. To make repairs more effective, the development sector has the task of designing the repair process and preparing technical documentation, developing plants, manufacturing and rebuilding spare parts, and mastering new technologies. In this way, every new piece of equipment (right now the process of repairing 10-12 new pieces of combat equipment is being designed) is approached in accordance with a methodology that has been worked out, with particular appreciation for the economic factor, so that the price of repair will be acceptable.

Repair, Col. Petrovic emphasizes, is economical if it costs less than 60 percent of the price of a new piece of equipment. Because recently the price of repair has been lower in our country (between 30 and 40 percent of the value of new pieces of equipment), it is clearly more advantageous to refurbish and restore disrupted functions of used combat systems and revitalization of old weapons than to purchase new ones. Particularly in view of the complicated financial troubles and impossibility of importing because of the embargo.

The quality repairs in the plant guarantee the equipment a new period of service before the next major overhaul, covered by warranty, which amounts to a second life. In essence, this means that the tactical-technical characteristics and use value of the equipment are not lost in any essential way and the repair has extended the service of the gun.

In spite of the opinion of certain specialists that the repair of certain pieces of equipment does not pay because the equipment is outdated, an opinion that up to now has been valid, experience in war operations has shown that any gun, piece of equipment, or weapon, no matter how old, is very important and can be used effectively in combat. The best example, Col. Petrovic said, is the result of the action of the T-34 tank, which had almost been written off and to which commanders and fighters give exceptional praise in combat.

Better Basic Maintenance

During everyday work in the plant, they are most frequently solving the problems of material supply for repair. This is understandable when we take into account the fact that with the loss of a portion of the territory of the former Yugoslavia certain plants for special-purpose production, where modern equipment and spare parts to meet the needs of the army were manufactured, were also lost. It is a fortunate circumstance that there are specialists and machines for manufacturing almost all

the necessary parts and pieces of armor in the manufacturing and rebuilding sector.

Aside from manufacturing them, the plant obtains certain spare parts from the warehouses of the Army of Yugoslavia and from subcontractors. Nurturing business relations with related socialized organizations, the plant is able to promptly perform the tasks which exceeded capacity either in terms of volume or because of the short deadline. Under such conditions, the specialists of the plant offer the organizations with whom they collaborate adequate support, they provide technical documentation and assistance, they do repairs on prototypes, they train personnel, and they perform the final tests. Particularly effective cooperation has been organized with Machine Industry in Nis, 14 October in Krusevac, Gosa in Smederevska Palanka, Raketa in Uzice, Pobeda in Novi Sad, and others.

The repairing of equipment and weapons is made more complicated by the condition they are in when they arrive at the plant. Equipment from the battlefield has been arriving mainly incomplete and damaged, and sizable material investments are necessary to repair the majority (unless scrapping is a better solution).

The biggest problem at the moment, then, for the plant's experts is to furnish all the components for pieces of equipment that arrive from the battlefield; usually they have been removed or certain vital pieces of armor have been damaged, because the opportunities for obtaining spare parts are drastically limited.

Col. Petrovic believes that the orientation of the Army of Yugoslavia toward professionalization is having a positive effect not only on the use, but also on the maintenance of equipment, especially when it comes to large combat systems. Basic maintenance would be still better if units included the appropriate personnel for medium-size repairs because the Army does not have plants for that type of work. They would have to be professionals—contract soldiers or civilians. The plant could offer full support to the training of these people in its own facilities, so that after examining the highest degree of maintenance—major overhaul, they would perform their duties more easily in the units.

The need to resolve the problem of basic maintenance and medium repairs appropriately and as soon as possible is clearer if we appreciate the fact that the plant will no longer be able to do this work with more than half of its capacity, as it has done up to now.

The Directions of the Transformation

In the shops of the plant, its personnel have not only been rehabilitating combat equipment that has broken down, they have also been "operating" in the front combat lines. The experience of the craftsmen who spent several months in the field shows that more than 70 percent of the guns and equipment eliminated from combat because of breakdowns or damage could be put back into service with minor repairs. A precondition for that would be good material and professional preparation, but also the personal bravery of plant members.

The plant's specialists have shown that they have the courage and can master the mental difficulties of encountering an immediate danger to their lives. When necessary, they paid less attention to their own security and more attention to the importance of some combat system or weapon to the fighting men. There were cases when teams from the plant even intervened when projectiles became stuck in the barrel of guns. Although the regulations call for a different procedure, the projectiles were removed on the spot, and the craftsmen themselves took all the risks. Fortunately, all these operations were successful and there were no serious consequences.

The plant's specialists working in the field often knew that they were exceeding the usual quotas and achieving authentic records. They are particularly proud of their record replacement of 28 T-55 tank engines in just one month.

Although their extremely proper attitude toward their tasks, especially in the war zones, has never been questioned, their status on the other hand has not been appropriately dealt with. That is, because the plant was not a military institution, its personnel on the battlefield had no weapons or uniforms, and as civilians they essentially had no right to medical care in military health institutions, although in all respects they shared the fate of the fighting men at the front.

That is why the transformation of the Army is also an occasion to settle the status of the plant and thereby also the time which its personnel spends in war zones. From what has been learned so far, the plant has two possibilities: transformation into a budget-financed institution of the Army of Yugoslavia or into a firm in which the military has a majority interest in the capital. Col. Petrovic says that as an officer he feels that the first solution is better for the army, because war experiences have also confirmed this. Aside from that, the profit principle, although it needs to be improved and given finishing touches, has in practice already shown to be very effective. Indeed, the colonel, as plant director, says that it would suit the workers considerably more to have a business firm, either public or government-owned. In view of the facilities, personnel, and technology it possesses, the prerequisites are good for earning income, which would be a better version for the workers, but in this case it would be considerably more difficult to guarantee that the teams of specialists in the field would be at the place and time where needed by units and required by the situation.

Army Daily Says Foreign Involvement Increasing

93BA0404B Belgrade VOJSKA in Serbo-Croatian 17 Dec 92 pp 21-22

[Article by Dr. Petar Knezevic]

[Text] There is an indispensable need to make an appropriate systematization, at least provisionally, of the forms the military factor has taken in the Yugoslav crisis on behalf of the most objective possible analysis and to discover the degree of involvement of foreign and internal entities and their responsibility for threatening world peace under Chapter VII of the UN Charter.

Manifestations

A retrospective examination of the subject under study shows that the involvement of the military factor in the Yugoslav crisis has been manifested in: (1) illegal exportation of diverse armament and materiel (NVO) from more than 18 countries (Hungary, Austria, Italy, Switzerland, Germany, Israel, Argentina, Romania, Bulgaria, Turkey, Czechoslovakia, Iran, Great Britain, Libya, Lebanon, Pakistan, Belgium, Sweden, etc.), by and large delivered to the secessionist and paramilitary forces of the republic which chose to secede by force and to leave the SFRY; (2) the constant threat of the use of force by the EC, WEU [West European Union], NATO, and certain neighboring countries which have been conducting military exercises and maneuvers, have concentrated military formations in the border area, and have openly advocated military intervention (especially significant are the Dragon Hammer maneuvers and exercises in the Adriatic, the concentration of military forces in the border area of Austria, Italy, and Hungary during the war in Slovenia and Croatia, and also the most important maneuvers and presence of foreign instructors and special armed formations in Albania, expansion of the missions of military observers in Macedonia, Bulgaria, and Romania, etc.); (3) the recruitment and dispatching of foreign mercenaries to armed and paramilitary formations in Slovenia, Croatia, and B-H [Bosnia-Hercegovina], and their involvement in special formations for "punitive expeditions" against the civilian population (this is especially characteristic of the present phase of involvement of the military factor in B-H—the mojahedin, whose large-scale arrival is just now being announced); (4) the involvement of the forces of the UNPROFOR [UN Protection Force] on the basis of the Vance Plan on the territory of the former Socialist Republic of Croatia and the expansion of their mission in B-H, especially to bring about a cessation of fire and hostilities, as well as humanitarian aid and monitoring the use of artillery guns and aircraft over the territory of B-H; (5) the disengagement of former units of the JNA [Yugoslav People's Army] which had participated in separating the paramilitary, and later also regular, units of the HV [Croatian Army] and self-protection units of the population in the Serbian krajinas and Hercegovina (which was done entirely in keeping with the resolutions of the UN Security Council); (6) the disregard of the embargo against the exportation of weapons to the former Yugoslav republics, that is, application of the sanctions under Resolution 757 of the UN Security Council only to Serbia and Montenegro; (7) the most recent blockade of Serbia and Montenegro on the Adriatic, Danube, and borders of neighboring countries, as well as the ban on transit movement of goods across Yugoslavia; (8) the continual intensification of the ideological propaganda activity against Serbia and Montenegro and the political pressures from Washington, London, Bonn, New York, and the Islamic countries, especially from Turkey, Iran, Pakistan, Saudi Arabia, and Albania, along with the threat of the use of force in the most diverse forms.

What is particularly disturbing in this broad range of manifestations of military force in the Yugoslav crisis is the position of the United States, which most probably was projected in the expectation that the Bush administration would win the election and stay in power for the next four years. It should be borne in mind, that is, that the Republicans in the United States have been in power for the last 12 years and that the ruling circles have become close to the richest stratum of U.S. society, that they have been protecting the interests of that group, which are the most important in the Near and Middle East, and that this probably determined the U.S. attitude toward the Yugoslav crisis, which, just like the German position, is markedly anti-Serb, by contrast with the attitude toward the position of the Muslims in Yugoslavia and the role of Islam in future destructive activity toward the Muslim republics in the former USSR and a possible strengthening of the roles of Turkey in Asia and southeastern Europe. Because Bush lost the election, there is hope that Bill Clinton will nevertheless make corrections not only in U.S. domestic policy, but in foreign policy as well. That certainly will not take place rapidly, nor will there by any very radical changes of direction, but there is no reason to doubt that there will be more understanding for dialogue and the truth.

It Suited the Most Powerful for the War in B-H To Continue

The trends in the development of the Yugoslav crisis are fairly uncertain, and so therefore is the role of the military factor on the external and internal scene. The most urgent question is removal of the sanctions, which continue to be applied only against Serbia and Montenegro, although many in the international community are saying that others are also to blame for the crisis in Yugoslavia. Today, it is clear to everyone that the Republic of Croatia has been more involved in the war in B-H (its regular units are in B-H) than the FRY [Federal Republic of Yugoslavia], because there are no units of the VJ [Army of Yugoslavia] on the territory of B-H. Nevertheless, that notorious fact is not being honored for the reasons that it most probably suited the most powerful for the war in B-H to continue, for the FRY not to be given international recognition until Serbia is once and for all broken into the special-status autonomous units of Vojvodina, Kosovo, and Sandzak.

The military factor in the United States had a more objective picture and approach to resolving the Yugoslav crisis, but the fact is that Baker, the head of the State Department, and thus foreign policy established supremacy over the Pentagon even after the victory in

the Gulf war. We should recall that the principal heroes are retired and that Bush has tried to seize for himself the glory of the victory, but the election in the United States showed that that was an illusion. Brent Snowcroft, a former general who was military attache in Moscow, as Bush's national security adviser, and the Pentagon chiefs (Dick Cheney and Colin Powell) were unable to do anything if the State Department insisted on something. That was particularly evident in the missions of the former U.S. ambassador in Belgrade, Warren Zimmermann, and the withdrawal of the U.S. military attaches who had come into conflict with Zimmermann and his activity in Yugoslavia.

The thing that is particularly dangerous at present and in the future is the fact that the State Department has been conducting the strategy of the CIA in Yugoslavia. Nevertheless, the CIA scenario toward the SFRY had been published even in the U.S. press (David Binder), and according to the map presented, it is evident that the breakup of Yugoslavia had been planned. Nevertheless, a hope remains that Clinton, having learned from Kennedy's experience with Cuba in 1961, will prevent that scenario from playing out and will accept only a political solution, not also a military solution of the Yugoslav crisis. The CIA has undoubtedly created a large plan for increasing tension in the Balkans, and that is why even the military factor has probably planned an involvement of U.S. forces in case the conflict in the Balkans should escalate. We dare not underestimate, then, the fact that the United States planned the involvement of its forces in the strength of about 100,000 men to carry out what was called Balkan Storm.

The Purpose of Military Measures and Activities of the United States

The available information with military connotations is calculated, among other things, as a threat of the use of force if world peace should be threatened in these regions, but also as pressure on the eve of the early democratic elections in Yugoslavia, Serbia in particular. In this connection, as one U.S. scholar has said, the United States is intensively carrying out political and military measures and activities to the following ends: (1) control of the Federal Government and the sanctions; (2) placement of its people in certain positions; (3) removal of Milosevic from power; (4) the sending of military observers and reporters; and (5) stepping up the psychological-propaganda activity with the threatened use of force.

It is expected that the new U.S. Administration, headed by Clinton, will make the appropriate corrections in U.S. policy toward Yugoslavia, but those changes should not be expected "overnight," but gradually to the extent that relations in the country become more democratic.

From the military standpoint, the question of international recognition of the FRY, i.e., continuity, discontinuity, and succession, is also important, especially in order to establish guilt for the war and the war damage committed on the territory of the former Yugoslav republics. It is essential that the forcible secession be condemned and that it be understood that insurgency (armed rebellion) of irregular (paramilitary) units occurred in the parts of the territory of the former Yugoslavia and those units were formed by the government authorities in the secessionist republics in an unconstitutional manner. The former JNA, then, the sole legal and legitimate military organization, reacted the way it reacted—including the use of force in Slovenia, Croatia, and B-H, up to the point of their international recognition, and all of this was based on law. It therefore could not be charged on any basis, although some people are persistently trying to do this.

Economics Minister Disturbed by Downward Trends

93BA0414A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 14 Dec 92 pp 12-13

[Interview with Federal Minister of Economics Ljubomir Madzar, by D. Zmijarevic; date and place not given: "Politics and the Economy: Unless There Is a Miracle..."]

[Text] *The thing that is destroying our economy is the printing of money; the negative trend began before the sanctions; a weak Serbia will not be able to help Serbs outside Serbia.*

Ljubomir Madzar assumed the post of minister of economics in the Federal Government 20 days before the election. After three resignations from the Panic cabinet, the choice quickly fell to this economist, who has built his reputation on the consistent advocacy of one economic philosophy and on political involvement in those circles with which he shares the same ideas on the economy. Immediately after he assumed his post, we asked him for an interview with EKONOMSKA POLITIKA.

[Zmijarevic] Can you comment to us briefly on the national economic situation? In your view, what sort of economy did you take over when you assumed your post?

[Madzar] A policy is being pursued that in the long run is not compatible with the country's economic possibilities. This policy presupposes public spending that this economy cannot finance in a healthy way, whereby money is being printed relentlessly and without limitations. As long as that is being done, there will also be inflation. We should not be deceived by temporary declines in the rate of price increases, because they are primarily implemented administratively and do not reflect the level of imbalance in the economy. The thing that is destroying our economy is the printing of money and the deficit financing of expenditures, which are enormous and are so because of the grand political and national goals that have been placed on the agenda at this very phase of our development. If these goals could be achieved in six months or a year, so that we could return to a normal level of financing public spending,

then it would be possible to get over this shock somehow, but as things stand right now this situation will be going on for rather a long time. Accordingly, we must figure on plenty of deficit financing in the future as well. This means that given this sort of limitation based on the broader political system, we are not in a situation to set the economy right, and especially public finances, the consequence of which is economic exhaustion. I am afraid that we will get into a situation that will prevent us from realizing not only certain lofty national goals, but also much more banal goals, such as survival. That is a popular word today.

[Zmijarevic] Can you evaluate the effect of the sanctions under which the economy has been functioning?

[Madzar] In a recent analysis done by the Federal Government, it was shown that the economy is almost on the brink of failure, on its last legs; all indicators are extremely unfavorable. The analysis indicates that a negative trend is in force that began before the sanctions for well-known reasons, associated with the major burden placed on the economy, meaning political events, the war, the disintegration of Yugoslavia, refugees, and other unfavorable circumstances. Thus, these trends were very much present even before the sanctions, and their imposition caused a downward break. The sudden decrease in production will place us in a situation where we wonder what the nonagricultural sector will be able to offer in exchange so that the cities can be fed.

It is indicative that at the end of the year one-third of the employees in the economy will retain the possibility of normal work, while two-thirds will be on mandatory leave. We are talking here about 1.2 million people. Thus, it is realistic to say that the economy these days is functioning at one-third its capacity.

Another issue is that the reserves of raw materials and supplies are running out, so that we must figure on an extension of these trends, and if they are extrapolated a little the result is a desperate situation. There is yet another issue that I would like to emphasize, and that is losses. They amount to around 40 billion dinars, with accumulation at around 20 billion. The figures themselves do not mean much because of our accounting rules, but indications are that the economy is being exhausted financially as well, which is very disturbing. These losses are also not interpreted realistically, because with high inflation a revalorization is carried out that statistically increases accumulation. I have done some improvised calculations and estimated that losses are reaching a level of around 300 billion dinars, which is equivalent in value to 15 percent of the social product, and this is a very dangerous matter, because it means that a good part of production and employment is being maintained at the expense of consuming inherited wealth from the past, at the expense of dissipating capital, which means that the country is becoming impoverished at an accelerated pace. And then there is the disturbing fact that the foreign-exchange reserves are being exhausted. I do not know what kind of inflow is taking place and on what basis, where it is located and who controls this potential inflow, but I am certain that the outflow is significantly greater than the inflow. I agree with those who say that a good part of the inflow is coming from the population, who in hard times are forced to sell their foreign exchange. But how much more of that the population has, and how long that source will last, is unknown.

In general, we have no idea of what not only the distant economic future, but also the immediate economic future will look like. Part of the reason for this is the lack of courage to confront reality. I would not be surprised if that were to manifest itself as a mass phenomenon, if people simply refuse to think.

[Zmijarevic] We are witnessing a rivalry of responsibilities between the Serbian government and the federal government. You certainly have some comment on the program of the Serbian republican government.

[Madzar] I do not know enough about that plan, because the republican authorities are not in the habit of formalizing and completing their programs in the form of documents and studies. For example, their stabilization program, which was drawn up at a conference of economists, has not actually been written down, or if it has been written down, it has not been made known even to that limited group of specialists. Thus, that program exists more in the heads and desires of people, but the idea there is to use prime issue to get production going wherever it has stalled and to maintain it wherever it is still going on. This means at the same time stockpiling a good part of production, because it cannot be sold right now. And the philosophy is as follows: Once the sanctions are lifted, you immediately burst out with large quantities and get lots of foreign exchange. That is dangerous logic, because it presupposes that this regime will not last long, because even that type of reserve will be exhausted and we will be at a loss over what to do with these stockpiles; there will be no money, especially to finance the imports needed for that production.

[Zmijarevic] How much longer can this type of situation be maintained?

[Madzar] To know that one would have to conduct a thorough analysis, to see how much more "steam" [denf] we have, because if it is another two to three months, then we should know that right now and not wait for it to shake the country and then wonder what to do.

[Zmijarevic] You have accepted a post in a government that will be up for confirmation in several days. What do you expect from these elections? Will you have the opportunity to implement what this government has adopted as its task?

[Madzar] I am not very optimistic here. I regard the unfolding of the elections and the political scenario that is to unfold in this region with trepidation. I have the impression that the ruling party has a big lead. Day after day we see, on television's channel one, for example,

things that raise questions about the legitimacy of the elections, but not about the chances of the ruling party doing well. I am not very optimistic, although I do know people who are looking to these elections with a great deal of optimism. It is all uncertain, and no one can predict with any certainty how it will all unfold. The only thing that can be anticipated with much confidence is that any victory by the socialists and their allies will not be as convincing as it was in 1990, because that sort of miracle cannot be repeated. Thus, there will certainly be a weakening of their control over parliament, but it could easily happen that they retain control over it, and in that case this analysis becomes even more topical. In that case, most of all, there will be no prospects for a change in relations with the international community, for resuming a part in the course of world events, and that means that the current situation will continue to slide in the manner indicated by the government in its analysis.

[Zmijarevic] The amount of time that this slide can continue is determined by those trends about which you have already spoken here?

[Madzar] In a certain sense it is, because if we consume foreign exchange, and that source has not yet been exhausted, and unless there is some miracle, if things unfold in the way that the majority of us are predicting, then it could happen that we will be unable to do the spring planting, that a large number of other vital activities will fade away. That you will be unable to travel from one part of the city to another. Life need not come to an end, because life is resilient thing, but it will become a life that we cannot even imagine from this perspective, regardless of how unfavorable it is. If that happens, then we will become seriously weakened as a state and as a nation, and we will be unable to help others, Serbs outside Serbia, because we will not even be able to help ourselves.

Government Prepares Anti-Inflation Program

93BA0414B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 14 Dec 92 p 13

[Article by V. Grlickov: "Public Spending: How To Do It Without Prime Issue"]

[Text] Why the program being offered is not restrictive even despite the orthodox monetary and fiscal policy.

The Federal Government is preparing a program for rapidly subduing inflation, counting on it being applicable as of the beginning of next year. It is also counting on a favorable outcome of the elections that would allow the current government to remain in power or some other government to come to power with a similar program approach. Based on what Federal Minister for Finance Dragoslav Jovanovic said to the bankers gathered at a conference at the Hyatt Regency Hotel (organized by the Novi Sad Cemik), the Federal Government's program is actually not restrictive, because it is based on a rapid increase in imports and production of 15 percent (in relation to the current, practically nonexistent activity). This does not mean that the program does not contain elements involving the payment of certain social prices in order to subdue inflation, especially since the immediate launching of the so-called transition and privatization of the economy is anticipated, which would certainly bring new "surpluses" of workers. According to the government's estimate, there are 750,000 unemployed people in the FR [Federal Republic of] Yugoslavia and 1.3 million hidden unemployed (600,000 people are working effectively). This fact, combined with 500,000 refugees and retirees, which results in an improbably poor ratio between the working and nonworking parts of the population (one employed person is feeding 15 others), means that the Federal Government will face major obstacles in absorbing social shocks at the same time that it is seeking to give public spending an anti-inflationary function.

If there is a desire for the program to succeed and for inflation to be radically lowered to a monthly rate of 5 percent by the end of the first quarter of next year, then the share of public spending in the social product would have to be reduced radically from the current 67 percent to 45 percent. It is figured here that an increased social product would also "contribute" to a decrease in the share of public spending. The problem will be how to implement this and maintain the proportion whereby the share of pensions in social product is between 9 and 11 percent, that of transfers in the economy is 10 percent, that of the military is 4 percent, unemployment benefits are 4 percent, health care is 3.5 percent, and education is 2.5 percent.

It will be especially difficult because even with the restrictive program of public spending today it is not possible to ensure the revenues for financing it without a major role being played by prime issue. The program provides for a halt in the use of prime issue for public spending from the moment that it is applied. In fact, according to official figures the role of prime issue in financing the federal budget has been reduced over the past five months from over 98 percent to 28 percent (18 percent issue plus 10 percent for securities). One must bear in mind here that prime issue is also being used as backing for the republican budgets (pensions, personal income, etc.), which shows clearly that its "fiscal" dimensions are significantly broader than indicated by the official figures. This is also shown by the renewed, major chaos in the monetary sphere, which in turn suggests that in order to set things right, conditions should be provided (first of all in a Law on the NBJ [National Bank of Yugoslavia]) for the central bank being completely independent of all state authority (federal, republican, opstina), whereby it would clearly be necessary to limit the possibility of using prime issue to fill in the budget. In this regard, the situation with the federal budget is not favorable, because the Federal Government lacks formal legal authority over taxation instruments, which are completely in the hands of the republics, aside from customs duty. There is no agreement by the republics that 75 (or alternatively 50)

percent of excise tax revenues should go into the federal budget, nor that the federal state should receive part of the tax on corporate gains.

The most significant novelty concerning public spending in the Federal Government's program is the intention that 10 percent of the social product be allocated to the budget on behalf of transfers in the economy. If this is enacted and applied, the role of the Central Bank in this sphere (selective loans to agriculture, exports, etc.) would in practice be replaced by transfers in the economy, which would help allow the National Bank to turn toward its basic function, ensuring the stability of the national currency and the liquidity of the banking system, instead of dealing with loans to individual economic sectors, as is the case today.

As far as relations within the country are concerned, there are no provisions for a forced transfer of the foreign exchange (credits) and effects of banks and national banks to the federal foreign-exchange reserves. Of course, the possibility of the voluntary transfer, at a stimulative rate, of 50 percent of these effects and foreign exchange is not ruled out, with the standard exchange commission of 2.5 or 6 percent.

Cause of Mitrovic's Death Undetermined

93BA0422E Ljubljana DNEVNIK in Slovene 21 Dec 92 p 8

[Unattributed article: "Murder or Suicide on Avala?"]

[Text] *The mysterious death of Lt. Colonel Radosav Mitrovic has not yet been explained; was it necessary to silence the deputy chief of the Army's counterintelligence service, or did he sentence himself?*

Belgrade, 21 Dec—No one still knows whether Lt. Col. Radosav Mitrovic, deputy chief of the counterintelligence department of the Yugoslav Army's security service, committed suicide or was murdered. As we reported a few days ago, his body was found on Avala. He had been missing for about 10 days. He had left home for a walk, without a weapon and without documents.

Suicide is suggested by the empty shell casing and the pistol found next to his body, and also by an almost empty bottle of brandy, however, especially since Mitrovic was already treated for alcoholism a full year ago. But why would a person who had decided on suicide first neatly bury the bottle upright into the ground so that it would not tip over? Even more surprising is how he could fire the pistol if he did not have it with him. His family says that he would quite certainly have left a farewell letter, but he did not. His relatives also point out something else: On the day that he left home, an "unidentified voice" was looking for him at the office and at home by telephone. It is also interesting that in the obituary published in POLITIKA, his family did not cite the military rank of the deceased, or even mention by a single word that he had died tragically.

His death, however, also has another background. The Opera scandal has thus been further complicated. The scandal was exposed by the current chief of the Yugoslav Army's security administration, Nedeljko Boskovic. He scattered an abundance of serious criticisms about treason by the former leadership of the security administration, and a nest of spies in the air force and air defense command. Lt. Colonel Radosav Mitrovic also had an important role in that scandal. Some people say that it was precisely because of what he did in connection with that that he was rewarded by his appointment as deputy chief of the security administration's most important department. Now that he is no longer around, some people who are familiar with the case are wondering how the trial of the defendants in that scandal will resume on 23 December. Was Mitrovic sentenced by his own conscience, or was someone else afraid that his conscience would be aroused?

Serbia

Names Reportedly Omitted From Electoral Rolls

AU0401163493 Belgrade POLITIKA in Serbo-Croatian 22 Dec 92 p 8

[Report by Branislav Radivojsa: "How Many Citizens Were Not Able To Vote?"]

[Text] In the period from December 1990 until December this year, the citizens of Serbia went to the polls four times. In that period, the electorate oscillated in size, but the differences in figures are quite moderate, considering what has been happening in the republic and in the whole of the former SFRY.

In December 1990, at the time of the first multiparty elections, three figures were mentioned for the electorate. First 6.861 million, then 6.865 million, and in the end 7.034 million voters.

The next elections were in May 1992, and a similar figure was indicated—6.919 million voters, which is a surprising figure, since refugees who had registered at least six months before the elections were also entitled to vote. At that time, Serbia had absorbed several hundreds of thousands of refugees, but it did not significantly affect the size of the electorate.

Unexpected Oscillations

A similar figure was indicated in the October referendum—6.931 million, but this time some new rules had been introduced. Only citizens with permanent residence in Serbia were able to vote, according to the new law. So, the length of stay of the refugees was no longer important. They could have voted only if they had regulated their residential status. This condition was interpreted as a change in the refugees' right to vote, but, nevertheless, it did not result in significant changes in the electorate. Finally, in last week's elections, 6.959 million people in Serbia went to the polls, which is to

say, 30-40,000 more than in May 1992, but for several tens of thousands fewer than in December 1990. What caused these unexpected oscillations? In the last couple of months the electoral rolls were checked in the Serbian statistical institutes to remove the "dead souls" from them. The rolls from May 1992 were used as an information base, so some new mistakes were introduced. In these revisions, a certain number of voters "disappeared," but in the latest elections it was no longer permitted to change rolls that had already been verified, which had been possible before. For that reason a certain number of people were not able to vote on Sunday. In the districts yesterday nobody knew the actual number of these voters. In some districts, it was said, there had been 50-100 dissatisfied citizens, but there was no complete report on the matter. True, on election day itself, in Jagodina it was alleged that some 1,000 people were not able to vote because they were not on the rolls, whereas other sources say that there were only a few dozen cases in an electorate of 100,000.

People Abroad Cannot Vote

In the statistics institutes we were told that, in relation to the electorate as a whole, there are really not so many citizens who have been deprived of the right to vote. The same is claimed in the municipal Electoral Commission in Belgrade. One of its members said they had registered around 200 complaints on Sunday [20 December]. The Commission has no information on the number of complaints in other districts, but it is probably small, although each case is a mistake in terms of fundamental human rights. However, their officials have firmly denied the implications that only the supporters of certain political parties were "deprived of the right to vote." It happened, for instance, that the supporters of the Democratic Movement of Serbia [DEPOS] came to the commission claiming that the socialists had been responsible for incomplete electoral rolls, whereas the socialists claimed that "the DEPOS people" had been "plotting" against the supporters of the ruling party. Nevertheless, there were some very unfortunate cases, such as, for instance, people who had come from abroad to vote only to find that they were not registered. However, in the electoral commissions officials assert, that none of this will have a significant impact on the results.

Account of Poll Irregularities Reported

AU0401163693 Belgrade POLITIKA in Serbo-Croatian 23 Dec 92 p 6

[Report by I. Stojkovic on the news conference given by Dr. Zoran Hodjera, an international observer to the 20 December Serbian elections, in Belgrade on 22 December: "Dr. Hodjera: There Are a Lot of Irregularities"]

[Text] "With so many irregularities, any court would have declared these elections invalid," international observer Dr. Hodjera said at a news conference yesterday in Belgrade's International Press Center. Dr. Hodjera is an independent scientific adviser on international and economic issues, who headed a group of U.S. and Canadian observers during the 1990 elections in Serbia. "Compared with the 1990 elections, the parties were better organized. Relations among the members of the Electoral Board were more civilized, but the organization of the elections was worse...extremely bad. I visited the electoral commission of polling station No. 3 in Zrenjanin, and then I visited some 30 polling stations in Belgrade and Vojvodina. Finally, in polling station No. 40, of Sumice 1 precinct in Pancevo, I observed the vote count," Hodjera explained. He said that what was noteworthy for most of the stations was the long lines of voters; most of stations were overcrowded because of lack of space, which caused difficulties with voting procedures. "Very few stations were able to provide secrecy to voters because there were no screens—many stations did not have enough space. The culmination of that chaos was in polling station No. 40 in Pancevo, where in a room of three by five meters there were no fewer than 16 officials and party observers in the board, five sorts of ballot boxes, and a crowd of people trying to vote. At 1955 there were around 200 people still waiting to vote. Out of five types of ballot papers, two measured 25 by 50 centimeters. Some people filled in their papers by writing against the wall, and some against the back of the people standing in front of them. In the same polling station, there were some lost papers lying on the floor under people's feet," Hodjera said, pointing out that in such a chaos any kind of manipulation was possible. "The vote count lasted until 0500, and I found out that the total number of ballot papers for these elections, both used and unused, was greater than the number delivered to the board and recorded before the polling started. According to the Electoral Law, after such a discovery the polling should be annulled in that station. I saw a large number of similar irregularities, and I received from party observers information about many more that had been going on elsewhere. In most cases balloting was carried out without screens, which are necessary to maintain secrecy. Ballot boxes were improvised, made of cardboard, and could not be sealed. In most cases there were no inspection sheets certifying that the boxes had been empty when the balloting started. Even whiskey cartons were used as ballot boxes. A lot of protests were lodged both on voting day itself and in the past few weeks because of irregularities in the electoral rolls. A large number of voters had been deleted from these rolls, and were not able to vote. This happened especially to young people who had come of age this year. In station No. 40 in Pancevo, all the people had managed to vote under difficult conditions by 2055. There I found 13 papers too many for the Republican Assembly, and three for the president, so I drew the electoral board's attention to that," Hodjera said. Hodjera talked about the misuse of the state-owned Serbian television by the authorities, and emphasized that the situation regarding television was worse than in 1990. He also discussed the problems regarding the candidacy of Milan Panic, which reduced the time for his campaign. Zoran Hodjera concluded his statement with the remark that the rules introduced by the Republican Electoral Commission did not allow representatives of political parties to have

copies of the official records from polling stations that would have given an insight into the course of the polling and the vote count. Without these records, it is quite impossible to have effective control over the voting procedure.

Government Accused of 'Buying Votes'

93BA0414D Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 14 Dec 92 p 15

[Article by V. Dukanac: "Government-Socialist Party of Serbia Election Committee"]

[Text] *How the Serbian government has been buying votes for the Socialist Party for two months now using state funds.*

The Serbian government recently made official its proposal to the Assembly that it not convene until 20 December "because it feels that proposed laws and other legislation that it has proposed are not such that they should be considered before the elections." Not even proposals by people's deputies that have been placed on the agenda of the next Assembly session as urgent business are among those that should be considered before the date in question, the government feels. At the same time, it announced that legislation for financing the republic next year is being prepared by the respective ministries, but that it will be submitted to the Assembly after 20 December.

In this way, the government gave itself an official "time-out" in order to continue its vote-buying campaign over the next two weeks—through state channels and with state money. But if one overlooks all the government's activities since its enthronement, which mostly boil down to buying time and relativizing the consequences of the sanctions while leveling charges at the Federal Government with increasing virulence, and well as the statements by its top figures on various occasions, and if we focus solely on its concrete work over the past two months, since it became utterly clear that early elections would be held anyway, then things are so obvious that the occasional criticism of this activity voiced by opposition politicians sounds like amateurish whining.

But let us start at the beginning. In early October, accompanied by much pomp and with the help of the Economic Council and the president of the republic, the government gained the support of the Assembly for its program of additional measures to alleviate the consequences of the sanctions, which despite the fact that it included a package of tax laws (introducing new types of taxes and valorized tax bases for the property tax, as well as real estate revenues) did not feature balanced income and outlay even on paper. The budget itself, which was increased 2.2 times through the second rebalancing, had an imbalance of 142 billion dinars, primarily in the areas of pension and disability insurance (77 billion) and health care (65 billion). But since the political situation has already forced work on election laws, the government has turned to election propaganda, primarily through short-term state concessions to target populations.

Thus, on 22 October, it enacted a decree obligating the almost empty Serbian pension fund to pay pensions to persons who gained that right in other republics, allegedly until those issues are settled by international agreements. Since then, nothing has been said, nor has anyone asked about it. But all pensioners that have been registered as residents for longer than six months have the right to vote. At the same session, another law was passed on student and pupil standards, which improves the material situation of that population, which is not exactly that partial to position. At the same time, the government officially asked the NBJ [National Bank of Yugoslavia] for funds from prime issue to finance the winter tourist season. It also adopted a plan by the republican development fund that includes 48 concrete projects with a promise of active financial support. The Federal Government is asked, with a conspicuously loud voice, to grant credits to industry so that it can survive (but who knows how) and to cut back on the strictness of its credit-monetary policy. At the beginning of November, it once again wrote the Federal Government, asking it to defer the repayment of debts by agriculture and to convert short-term loans to long-term ones. The Serbian government is ordering "its" business banks to defer the payment of interest on loans issued to the republican board for commodity reserves to buy this year's wheat harvest, thus allowing it to function normally. At the same time, it passed a resolution on the payment of 7.5 billion dinars to around 240,000 workers on mandatory leave and publicly stated its worry and demand—whereby it was unclear at whom it was directed—"that solid sources of financing to cover this Fund until the end of the year be provided." It did not say where this money should come from. Immediately thereafter, it satisfied the demand by the republican trade union and proposed a change in the law on the level of earnings, thereby increasing the amount of compensation for the period of paid leave in November and December to 75 percent of the lowest net wage for the month in question, instead of the previous 65 percent. In this way, the difference in the wages of those working and those not working was reduced even further.

In the meantime, it has come forward with decisions on increasing prices, primarily in those areas threatened by strikes (electricity, bread, flour, and others). At the same time, it has granted numerous exemptions to threatened parts of the population by proposing various pieces of legislation that will apparently not be on the Assembly agenda before the elections. Recently, besides the truly thunderous public charges leveled at the Federal Government with regard to agriculture, it also announced to the farming population its decision that before the elections they are not obligated to pay taxes, contributions, and other public obligations on the basis of the recently valorized real estate revenue. In recent days, farmers were once again officially invited not to do so by way of state television. But only a month earlier, the same government had acknowledged that that population covers less than 8 percent of its health-care expenditures. Students too were recently informed once again that the government "cares about them"—they were released from participation in mandatory health

checkups. And in order to undermine and avert the strike by Belgrade medical students that had been scheduled by their independent trade union for 7 December, it paid them a bonus of 25,000 dinars. There is no longer even any talk about the dramatic nature of the overall position of this activity, even though the proposal for a so-called permanent overhaul of this activity from only one month ago has proven to be utterly unrealistic.

The Serbian prime minister has scheduled a press conference for the day after this issue of EKONOMSKA POLITIKA goes to press. One can conclude from the preceding that it will come as no surprise if the list of all sorts of exemptions and privileges is expanded and lengthened.

Oil Industry Warns of Worsening Energy Crisis

LD0401153993 Belgrade TANJUG in English 1516 GMT 4 Jan 93

[Text] Belgrade, Jan 4 (TANJUG)—Oil consumption in Yugoslavia must be drastically reduced in 1993, Serbian oil industry (NIS) executives warned on Monday [4 January].

NIS plans to secure 1,180,000 tonnes of oil from local deposits in the Republic of Serbia. In 1992, 1,103,000 tonnes of oil were pumped out of these deposits, or more than 10 percent in 1991. Production rose thanks to new oil wells in the Turija-Sever deposit in the Serbian Province of Vojvodina.

Yugoslavia counts on 180,000 tonnes of oil from Angola, where Serbian firms have concessions for deliveries, NIS said. Last year's oil production satisfied barely one-fourth of Yugoslavia's demand, experts said.

Oil imports completely ceased on May 30, when the U.N. Security Council imposed economic and political sanctions on the Federal Republic of Yugoslavia (F.R.Y.) because of its alleged involvement in the Bosnia-Hercegovina war.

Since September, the F.R.Y. Government had intermittently asked the U.N. Sanctions Committee to exempt oil derivatives and natural gas for humanitarian purposes. The Sanctions Committee informed Federal Prime Minister Panic in mid-December that it had accepted the Yugoslav Government's request in principle.

Macedonia

UNPROFOR Soldiers To Arrive 6 January

LD0401164693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1408 GMT 4 Jan 93

[Text] Skopje, 4 Jan (TANJUG)—UNPROFOR's [UN Protection Forces] press center in Skopje has stated that 150 Canadian soldiers will arrive in Macedonia on 6 January as an advance party of Scandinavian units which will represent the main part of the UN peacekeeping forces in that republic.

Commander of UN troops in Macedonia, a brigadier general of the Danish Army whose name was not disclosed today, will arrive in Skopje on 8 January.

The UN troops, which arrived in Macedonia during the last few days of 1992, have already inspected the Macedonian northern border region, and UNPROFOR has already established its monitoring points in Ohrid and Debar [towns near Macedonian-Albanian border].

Kuceviste Reportedly 'Calm' in Wake of Incident

AU0401210493 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 4 Jan 93

[Unattributed report]

[Text] It is calm today in Kuceviste village, located at the foot of the Skopje Crna Gora. The village, however, is under a police blockade. We were told this over the phone by Mr. Trajan Neskovic, a Kuceviste villager and vice president of the Association of Serbs in Macedonia. A young man is in a Skopje hospital because his eyesight was damaged by a so-called chemical bomb [hemijska bomba]. According to Mr. Neskovic, the Kuceviste young men were calm during New Year's Eve when they celebrated with a Yugoslav tricolor until the police started using electrical batons and firing warning shots. The young men started defending themselves and several of them threw stones at police cars.

In an official announcement, the Ministry of Internal Affairs of Macedonia claims that 16 policemen were sent to Kuceviste. The locals, however, say that at first approximately 50 policemen arrived with a fire engine from the new police station in nearby Mirkovci. They were followed by a group of 150 special troops.

The Democratic Party of Serbs in Macedonia claims that the event was staged by the police to show what kind of danger Serbia presents to Macedonia, as well as speeding up the international recognition of Macedonia. Today's edition of NOVA MAKEDONIJA carries a commentary entitled "Nationalistic Merry-Go-Round."

It was announced that a CSCE mission would visit Kuceviste. They did come, but the CSCE representatives did not hold any talks in the village to get more information about the event, at least they did not talk to representatives of the Serbs. Not wanting any clashes and incidents, the Serbs in Macedonia will demand through their Association and the Democratic Party of Serbs that international organizations protect their national and human rights.

Economic Minister on Effect of Sanctions

93BA0317A Skopje VECER in Macedonian 25 Nov 92 p 3

[Article by S. Padori including discussion with Macedonian Minister of the Economy Petrus Stefanov; place and date not given: "Prohibited Transportation Means Tied Hands!"]

[Text] *The large processing enterprises, above all those in the fields of metallurgy, basic chemistry, and all others that import raw materials and reprocessed items from abroad and that export by rail, will be in an extremely difficult situation as long as Macedonian transit transportation facilities must go through Yugoslavia.*

The resolution of the petroleum crisis as well depends on a favorable UN resolution concerning transit shipments via Yugoslavia.

Is it petroleum for humanitarian purposes or a return of our petroleum blocked by Greece?

Perhaps we shall soon be able to find out whether the petroleum crisis experienced by the Republic for almost one and a half years, which has reached its peak in the past 10 days with the enactment of Resolution 787, will long remain our reality, or else there will be a solution. More precisely, today a representative of the Ministry of Foreign Affairs to the United Nations will submit a request for lifting the ban of transports to Macedonia across Yugoslav territory. The answer will determine whether the derivatives produced at the Burgas refinery will come by rail or whether we shall be forced to resort to slow and expensive hauling by tanker trucks.

At the same time, we found out one evening ago that Greece had asked for some 60 empty tanker cars to load crude oil (80,000 metric tons), which for the past few months have been stored in Salonika. Whether this will be treated as a humanitarian shipment or will mean a resumption of normal transportation activities along the southern corridor is still too early and uncertain to prognosticate. In any case, the crisis will not be surmounted overnight, and future supplies will be rationed and hard to get.

Petrus Stefanov, the minister of the economy, discussed with VECER the problems related to petroleum and the consequences of the latest Security Council resolution as they affect Macedonia.

Greater Expenditures

"In the past few months we have not been lucky with petroleum-derivative supplies. We either lack foreign currency or have transportation problems, and after it seemed to us that the eastern corridor would be an alternative, the latest sanctions were imposed, which are affecting us worse than anything else in the past.

"The foreign currency shortage of the Republic, which annually amounts to $250-300 million, is most directly reflected in the issue of crude oil procurements. Although efforts were made to find proper sources for foreign exchange to pay for the petroleum (increased revenues from exports, purchasing of foreign exchange from the Macedonian National Bank, floating foreign currency bonds, and participation of high-user enterprises), the problems were not surmounted. This is significant, particularly when we know that every year we need about $190 million and that the blockades imposed upon us have increased transportation expenditures by nearly 400 percent. Although the entire organization of procurements and transportation is based on the uninterrupted functioning of the Skopje Refinery, today we are in a situation in which most of the derivatives come by tanker truck from Bulgaria and Turkey, on roads that are heavily used, for which reason their handling capacity has diminished and, with it, so has the dynamics of deliveries. Nor should we ignore in this case the subjective weaknesses of our transportation officials, who should have displayed better organization and greater involvement in resolving the financial problems. Naturally, after we organized ourselves for a more intensive utilization of the railroad transportation from Bulgaria, Fersped purchased 100 additional tanker cars from German partners, and after the processed derivatives started 'flowing' from the Burgas refinery, the increased sanctions came into effect," we were told by Minister Petrus Stefanov.

Despite this situation, as Stefanov stressed, a solution can and must be found but, naturally, by paying the right price. Thus, while we are waiting for the UN decision and its interpretation, derivatives are being hauled by tanker trucks from Bulgaria or from its foreign partners. The great demand for such a short period of time led to a price increase of derivatives by as much as 30 percent compared with prices charged on the global market. According to Stefanov, however, the irrational attitude of Greece should change quickly, for it is in the interests of both countries to cooperate and maintain good neighborly relations.

About one and a half months ago, a kind of optimism prevailed in terms of surmounting the crisis, following the statements made by the Altay Republic, according to which Macedonia would be supplied with petroleum derivatives. Roughly at the same time, the European Community procured humanitarian aid both in cash or fuel oil. What is the situation with these promises?

"The Russian Federation as well has its internal problems, so that statements on cooperation and shipping crude oil for the needs of Macedonia have still not been implemented. As to European Community humanitarian aid, which initially was to come in the form of cash or fuel oil, the promise has been changed and Macedonia will be supplied with medicines and medical materials," Stefanov says.

In order to surmount the petroleum crisis, starting with last August, the Ministry of the Economy began to grant import permits to private enterprises as well. However, according to data supplied by the SOK [Public Accounting Service], there have been numerous irregularities, such as avoiding payment of mandatory taxes to the state, and so on.

"I most firmly assert that the ministry issued permits most promptly and in the spirit of the laws, giving no preference to one company or another. Permits are granted to applicants who have submitted the proper

documentation and have had the requests stamped and registered in a court. Any eventual malversation will be handled by the proper authorities, more specifically by financial auditors. As instructed by the SOK, the ministry is also keeping track of the performance of the companies. This is not abnormal, for there may be companies that will not officially use the facilities granted to them, for we insist that every single drop of derivative reach the Republic," Stefanov emphasized.

Economic Responsibilities

The harsher sanctions adopted against Yugoslavia—prohibition of shipping goods in transit across Yugoslav territory—have a direct impact on processing enterprises in the Republic. How shall we survive under these circumstances?

"The structure of our economy is based on raw materials, and a high share of it goes to ferrous and nonferrous metallurgy, basic chemistry, nonmetallic industry, and other industries that operate on the basis of high volumes of raw materials and reprocessed materials that are transported mainly by rail and largely across Yugoslav territory. At the same time, the finished products are exported the same way (by rail). The extent to which railroad transportation is used is indicated by the example of a single railroad that annually processes and exports about 1 million metric tons of raw and used materials. This also involves cast iron—100,000 tons annually—and basic chemical products, totaling 250,000 tons. These amounts can be transported exclusively by rail, and if we lack the necessary approval and agreement of the respective UN commissions on shipping across Yugoslav territory, this will be particularly difficult. However, we must not lose our heads. In my view, we should not become extreme pessimists or optimists! The work done by the economic enterprises so far under truly abnormal conditions has indicated that they are displaying an exceptionally high spirit of enterprise, resistance, and vitality in finding seemingly impossible solutions that help them maintain the pace of their processing," Stefanov says.

"Under circumstances in which the petroleum crisis predominates and the entire economy is under the pressure of the increased sanctions, difficulties in electric power supplies are experienced by the Macedonian electric power system as well. We lack a number of things, and, adding electric power to such shortages, it looks as though we are declining at a headlong pace."

"Statements by some managers of the electric power utility do not refer to the circumstances in which the utility is working. More specifically, the estimated shortfall is in terms of the overall power balance. However, the actual situations of declining economic activities, the closing down of a large number of industrial capacities, thus reducing the industrial use of power, are not considered. Therefore, a certain share of this electric power, which potentially would benefit industry, will be used by the public at large, considering the lack of fuel oil for heating purposes, although it is true that it is regrettable for the best source of energy to be used for this purpose. However, we are finding ourselves in a situation of a terrible blockade, and it will not be a mortal sin if the power is used for heating purposes as well. Neither the economy nor the people find the situation easy. For the time being, the people have withstood with dignity all the blows. We must remain patient and calm a little longer," stressed Minister of the Economy Petrus Stefanov at the end.

VMRO Leader Says War Threat Still Exists

93BA0403A Ljubljana DNEVNIK in Slovene 19 Dec 92 p 7

[Unattributed interview with VMRO leader Ljubce Georgievski; place and date not given: "Fragile Peace in Macedonia"]

[Text] *The conflicts in Skopje showed that we have not completely escaped from the danger of war.*

Skopje, 16 Dec—*According to some views, the biggest danger to Macedonia's stability is its domestic interethnic relations, which are strained, on one hand, by the radicalism of its Albanians, and on the other, by the strongest, but still opposition, Macedonian national party, VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity]. It is more dangerous than all its dangerous neighbors, even though each of them has its own scores to settle with Macedonia. In the conflict between the two abovementioned political orientations, Macedonia's fragile peace could finally burst. Since many people are convinced that VMRO-DPMNE will be a convincing victor in the coming Macedonian elections, they are afraid that this collapse is increasingly closer. That is why we were interested in how VMRO views the political situation. Ljubco Georgievski, leader of VMRO and the Macedonian opposition, talked about this.*

[Georgievski] The conflicts in Skopje showed, above all, that Macedonia has still not completely escaped the danger of war. Furthermore, it is possibly even closer than it ever was before. If it was still most threatened months ago by the aggressive Serbian policy, it is now becoming more and more obvious that the biggest danger lies within Macedonia itself. It can spread from domestic Macedonian-Albanian conflicts, and that is why the danger is possibly even bigger.

[DNEVNIK] In your opinion, what are the possible main domestic factors that have influenced or can influence the outbreak of such disputes?

[Georgievski] With respect to the domestic factors in these disputes, I would like to emphasize at least two things: First of all, I must say that it has all happened in a situation in which a communist-Albanian coalition is in power, since the government, which is in the hands of the former communists, also includes five Albanian ministers from the Albanian parties in Macedonia. If a

conflict really was possible and real, then that coalition would have to break apart, in our opinion. If that kind of government continues to function, obviously we then have a right to suspect that it was all actually caused by the authorities themselves.

[DNEVNIK] Why do you think that the current Macedonian authorities could cause such dangerous conflicts, which could even spread to war?

[Georgievski] It is simple. The ruling regime in Macedonia could thereby cover up its failures on both the international and domestic scenes, and stay in power by intimidating people—"It is either us or war."

[DNEVNIK] Would the Albanians from the former Yugoslavia really risk a conflict in which they themselves could become the biggest casualty?

[Georgievski] The difficulty is precisely that the Kosovo Albanians cannot carry out their policy in Kosovo, since the Serbian authorities there obviously have a very brutal attitude toward them, and that is why they have turned their focus toward Macedonia, where they would like to compensate for what they could not achieve in Serbia.

[DNEVNIK] Many people consider international recognition of Macedonia to be something that could settle all its difficulties. How do you view all this?

[Georgievski] The current Macedonian authorities have neglected all sorts of things. That is one of the principal reasons for the nonrecognition of Macedonia, although, of course, we should not underestimate the Greeks either. You must not forget, however, that when Slovenia and Croatia requested international recognition, Macedonia was still trying to save the SFRY and even openly urged that they not be recognized. Macedonia still has not completely settled its border with Serbia. Our airspace is still controlled from Belgrade. Our Constitution, believe it or not, still says that some state called the SFRY is responsible for our foreign policy. We do not have a single serious foreign friend that would be prepared to support our policy, etc.

[DNEVNIK] Who abroad, in your opinion, would be most suited by conflicts in Macedonia?

[Georgievski] I think that it would still be Serbia, since for the time being that suits the Serbian policy most, because in that case they would have an opportunity to spread war through the Balkans, since war in Macedonia would automatically mean that all the neighboring states would intervene in it.

[DNEVNIK] How will you settle matters with the Macedonian Albanians if you come to power?

[Georgievski] There will not be any major changes, and quite certainly there will not be any unprincipled concessions either.

Montenegro

Local Economy Cannot Survive Under Sanctions

93BA0414C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 14 Dec 92 p 14

[Article by A. Srdanovic: "It Is Impossible To Live With Sanctions"]

[Text] *What was said at a meeting of Montenegrin businessmen concerning the Federal Government's anti-inflationary program.*

Montenegrin businessmen believe that it is impossible to survive under these conditions of international isolation, especially if one bears in mind the major dependence of the Yugoslav economy on imports. This was one of the things said recently at a meeting held concerning the Federal Government's stabilization program, which was first discussed by the federal vice prime minister, Dr. Radoje Kontic.

Because of this, they stress, normal production and commodity-monetary transactions with the world should be established as soon as possible in order to maintain production at least at the existing level while under such conditions. They also asked the federal vice prime minister a series of questions and demanded a response to them. When asked by Danilo Vuksanovic whether the measures contained in the Federal Government's economic policy were formulated in conjunction with the governments of Montenegro and Serbia, Radoje Kontic responded that there are certain problems in defining federal and republican responsibilities, but also a certain level of cooperation that will make it possible to harmonize opinions with the republican governments prior to the final adoption of the program.

The president of the Economic Chamber of Montenegro, Vojin Djukanovic, expressed doubts concerning the implementation of the offered program unless the sanctions are first lifted, being aware of the extremely complicated situation in the economy, the recovery of which will require a rather lengthy amount of time even after the sanctions are lifted. Djukanovic illustrated the somber picture of economic reality with data on the drastic drop in the social product, especially after the imposition of the sanctions—by 38.6 percent, and in industrial production by 59.8 percent compared to 1989. Over 10 months of this year, he emphasized, industrial production has fallen 19.8 percent, with the trend being a further decline. Real personal income has also fallen by more than 50 percent compared to December 1991. There is no dilemma, the president of the Montenegrin chamber emphasized; we can live from our labor, but only on the condition that the sanctions are lifted as soon as possible and production is increased. Without that it is impossible to survive, because after the latest tightening of the sanctions the situation in the economy is such that the citizens must be told clearly how to emerge from the downward slide in which we find ourselves. It is also necessary to perform a detailed analysis of the

causes that have led to this situation, and the public must be clearly informed about what else Montenegro and Yugoslavia must do in order for the sanctions to be lifted. Without a response to that question, it is impossible to move forward, nor can the economy survive while fettered by international isolation.

Taking part in the discussion of the Federal Government's program of macroeconomic policy and its measures, Montenegrin Prime Minister Milo Djukanovic stressed that it is essential to resolve two basic dilemmas that are a burden on the public. The first relates to the character, intensity, and time frame of the sanctions, while the second (spurious) one relates to whether one should accept and live with the sanctions or fight for them to be lifted. There is no dilemma surrounding the fact that the motives and goals of the UN Security Council sanctions are political, and not economic, the Montenegrin prime minister said, among other things. For that reason it is frivolous to guess at how long they will last, aside from the good wish that that time be as short as possible. There should also be no dilemma concerning their level of intensity. It is increasingly strong and destructive, with catastrophic consequences for the economic fabric of the FR [Federal Republic of] Yugoslavia and Montenegro.

Djukanovic agreed with the opinions of businessmen that it is impossible to live under such conditions, adding: "It could cost us very dearly if we were to make the mistake of believing that it is possible to live under such conditions and maintain production Everything that we have managed to do thus far we have achieved, primarily, through the reserves that we created before the sanctions, but also through flexibility in the application of those sanctions. For this reason, serious-minded people must support first of all their lifting, but also the investment of maximum efforts (organizationally and otherwise) into ensuring some sort of survival as long as they remain in effect. After the latest tightening of the sanctions," Djukanovic emphasized, "it is quite clear that the overall economic and social policy in the country must be adapted to the given conditions. It must be clear to us in Montenegro, even though I have long opposed this theory, that this is a time of ensuring our elementary existence.

"Two clear goals must be adopted here. The first is to ensure the possible scale of production under the existing conditions, and the second is to ensure the minimum of existence for the citizens of the FR Yugoslavia."

Djukanovic made special reference to the danger from the uncontrolled issue of money, which stimulates inflation, and expressed his support for the immediate adoption of a law on the National Bank of Yugoslavia, establishing adequate controls over this area as soon as possible.

The Montenegrin prime minister voiced serious criticism of banks which, in his opinion, are characterized by a lack of organization and a sagging condition that renders them unable to act effectively and keep up with the implementation of certain programs in a timely fashion. In his estimation, the banks must also have an interest in protecting the substantial property in the coastal economy, which under the effects of the sanctions is seriously threatened, in order to keep it from being sold to various outside manipulators and brokers who are trying to easily acquire major wealth.

As far as pricing policy is concerned, the Montenegrin prime minister feels that prices should be transferred to republic authority as soon as possible.

Turning briefly to the work of the republic government, Milo Djukanovic said that everything that Montenegro has done thus far has been consistent with the intention of setting up a federal state as soon as possible.

Kosovo

Bukoshi Calls for UN Peace-Keeping Troops

AU0501102093 Tirana ATA in English 0917 GMT 5 Jan 93

[Text] Tirana, January 5 (ATA)—The prime minister of the Republic of Kosovo, Bujar Bukoshi, appealed for an immediate dispatch of the UN peace-keeping troops in Kosovo. He demanded this in Geneva where he was to meet with the cochairmen of the international conference on former Yugosolavia, Mr. Vance and Mr.Owen.

Dr. Bukoshi said that 3,000-4,000 UN troops are needed to defend the rights of the Albanians in Kosovo. The prime minister of the Republic of Kosovo informed that Serbia has sent in Kosovo numerous troops as well as Serbian refugees from Croatia and Bosnia-Hercegovina.

Hungarian Leader Views Position After Elections

AU0401143693 Budapest MAGYAR NEMZET in Hungarian 30 Dec 92 pp 1, 3

[Interview with Andras Agoston, chairman of the Democratic Union of Vojvodina Hungarians, by Imre Sebestyen; place and date not given: "The Vojovodina Hungarians Want To Establish Their Autonomy"]

[Excerpts] In the recent elections, the Democratic Union of Vojvodina Hungarians [VMDK] increased the number of its representatives at all levels. This success can partly be attributed to the historical changes in the consciousness of the Vojvodina Hungarians and partly to the forward-looking optimism of the VMDK's autonomy concept. The Vojvodina Hungarians can think in terms of a nation, and they know what they want, Agoston told MAGYAR NEMZET while assessing the success of the interest protection organization at the local, provincial, republican, and federal elections.

[Agoston] The civil war and the domestic political events have proved for the Hungarians that they cannot expect the settlement of their open and unresolved situation

either from the ruling party or from the opposition that calls itself democratic. They support the dialogue with the state organs that was initiated by the VMDK, but they also feel that there will not be any progress in the matter of autonomy without foreign intervention. The Vojvodina Hungarians do not urge border changes, but they want to establish their own autonomy within the existing borders. Legitimacy expressed in votes is vitally important for the VMDK's international performance. The collective recognition of this helped the VMDK's candidates to receive mandates.

[Sebestyen] From the point of view of the Vojvodina Hungarians, how can you generally assess the election results, for example, the advance of the extremists, and how would you comment on the new power structure in the parliaments? Is the VMDK's political fight for the national minority interests more difficult after the elections?

[Agoston] Both at the federal and republican level, a shift to the right has seemingly taken place. The practical effects of this are difficult to assess because the parliaments were already right-wing. Perhaps, the relative success of the Serbian Democratic Movement [DEPOS] can present some democratic possibilities for us. This political alliance is increasingly turning toward Europe and this gives us hope. The VMDK's fight will become increasingly difficult because foreign agreement with its statements has been proved, and now that the people have again decided to support it, it is considered to be a rather dangerous political opponent.

[Sebestyen] What are the views of the VMDK's leadership on the election irregularities? To what extent have these influenced the final outcome of the presidential elections and the battle of the ruling party and the opposition that calls itself democratic?

[Agoston] The VMDK has taken part in three election campaigns so far. It has always had to fight against many irregularities. To mention just one fact, some 5 to 7 percent of the Hungarian voters were not put on any voting lists.

Those Hungarians who have escaped could not vote, either. However, all this only increases the value of our successes. Undoubtedly, the elections infrastructure is dominated by the socialists and the extremists. However, the decisive factor is that the majority of the Serbian voters still seem to find the way out in the politics of the current leadership. [passage omitted]

[Sebestyen] How would you assess the organization's activities this year?

[Agoston] The year 1992 has confirmed the VMDK's international position. The more than 200 talks, hearings, and negotiations the VMDK's representatives participated in ensured respect for us as a moderate and democratic interest organization. With the effective help of the Hungarian political factors and Hungarians living in the West, we managed to achieve that the settlement of the open and unresolved situation of the Vojvodina Hungarians became an institutionalized part of the political processes that were started by the London peace conference. In domestic politics, the elections speak for themselves.